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TODAY:  
MONEY

## U.S. and Japan Paper Over Dispute

### Trade Gap Clouds Economic Summit

By Brian Knowlton  
International Herald Tribune

DENVER — Early efforts Friday by the U.S. and Japanese delegations at the economic summit meeting here to paper over differences appeared to be fading almost from the moment they were triumphantly announced.

Both sides played down the recent announcement of a 90 percent year-on-year increase in Japan's trade surplus with the United States. And the Americans portrayed a summit agreement for an enhanced initiative on deregulating markets in four key sectors as a signal achievement.

But both sides were finding they had to pick their words carefully, not wanting the large trade gap and other differences to cast a shadow over the summit meeting even before it had officially opened.

President Bill Clinton, asked about new figures showing the U.S. trade deficit with Japan at \$4.8 billion in April, the worst in six months, said only, "I wish they weren't so high."

Prime Minister Ryutaro Hashimoto of Japan noted that markets had responded "calmly" to the trade figures. And a Japanese Foreign Ministry spokesman said, almost wistfully, "We are very pleased to have trade issues off the front page."

But a last-minute effort by the two countries' trade representatives to bash out an agreement on deregulation and to start the meeting on a positive note appeared in danger of accomplishing the opposite. The agreement, as described by the U.S. trade representative, Charlene Barshefsky, calls for enhanced contacts between the two sides to work on de-

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### Russia's Status: In, but Not Quite

By Peter Baker  
Washington Post Service

DENVER — Imagine one of the most exclusive clubs in the community. You're dying to get in, but the establishment thinks you don't make enough money and your clothes aren't nice enough. Finally, after years of wheedling, they invite you to nearly every function, give you a seat at the table, even rename the annual dinner to reflect your presence.

But for all of that, they still won't give you the membership card.

On a geopolitical level, that is the situation here as Russia joins the world's traditional industrial powers for the once-a-year summit meeting of the Group of Seven nations, with President Bill Clinton playing host through Sunday.

After years of attending these meetings as an observer, President Boris Yeltsin of Russia, for the first time, will be allowed into all but one of the official sessions. His policy advisers were involved in all of the planning. The tricolor Russian flag will fly alongside those of the seven other nations. Participants are even shying away from the term Group of Seven, instead calling the gathering the "Summit of the Eight."

Yet in an odd semantic dance characteristic of the world of diplomacy, U.S. officials dodge and weave when asked about Russia's not-quite status and, if pressed, stress that it belongs at the summit meeting but not in the group. "They're clearly not a member of the G-7," said James Steinberg, Mr. Clinton's deputy national security adviser. However, he added, "They are a full member of the eight."

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President Yeltsin and Prime Minister Hashimoto in Denver.

## A Centrist In Turkey Gets Chance To Govern

### Turn to Yilmaz Seen As Effort to Thwart Fundamentalists

By Stephen Kinzer  
New York Times Service

ISTANBUL — In an effort to push Turkey back toward fully secular rule, President Suleyman Demirel on Friday asked Mesut Yilmaz, a center-rightist with strong secular credentials, to try to form the next government.

Mr. Demirel acted two days after Prime Minister Necmettin Erbakan, the first head of an Islamic party to lead Turkey, resigned under intense pressure from military commanders. They feared he was leading the country toward fundamentalism.

The president's choice was a clear rebuff to Mr. Erbakan and a victory for the secularist military.

When he resigned, Mr. Erbakan suggested that his coalition partner, Foreign Minister Tansu Ciller, be named prime minister. Senior generals opposed that idea because it would probably have left Mr. Erbakan's Islamic Party in control of important ministries.

Turkey has been in political turmoil for months, with Islamic and secular figures locked in an increasingly bitter struggle over the country's future direction.

At a news conference after he was named, Mr. Yilmaz said he was "in favor of holding general and local elections together by next spring," in an effort to break the deadlock.

If Mr. Yilmaz manages to form a government, he will carry the hopes of secularists into the election. He has a reputation as a weak political leader and an indifferent campaigner, however, and it is far from certain that he will be able to turn back the Islamic advance.

Mr. Yilmaz, who in the 1990's has served two short terms as prime minister, said he would immediately begin a round of consultations with leaders of other secular parties. He said that he would have an interim report for President Demirel on Wednesday and that he hoped to have a government in place by the end of the month.

Mr. Yilmaz's Motherland Party holds 129 seats in Parliament, and he must now put together a government that can win support from a majority of the 550 members.

This may prove difficult because he has pledged not to approach the Islamic-oriented Welfare Party, and because he has a long and bitter rivalry with Mrs. Ciller, who heads the other major secular party.

He said he would approach two center-left parties and a small far-right faction as possible coalition partners. His success may depend on his ability to overcome his loathing of Mrs. Ciller or to lure enough dissidents in her party to his side.

Mr. Yilmaz, 50, was born in Istanbul to a family with a long interest in politics. One of his uncles served as a cabinet minister under Prime Minister Adnan Menderes in the late 1950's.

Like many politicians of his generation, Mr. Yilmaz first tasted power in the 1980s, when Turgut Ozal dominated the political scene here. In 1987, as Mr. Ozal's minister of tourism, he visited the United States to open "The Age of Sultan Suleyman the Magnificent," an exhibition at the National Gallery of Art in Washington.

Later that year Mr. Yilmaz was named foreign minister, and in that job he showed himself to be a staunch supporter of Turkey's traditionally pro-Western foreign policy. He was especially welcome in Germany, in part because he speaks fluent German as a

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## Watch for Bulls! Market Has a 'Breadth Stampede'

### Broad Gains Mean Long Rally, Analysts Say

By David Barboza  
New York Times Service

NEW YORK — When it comes to breadth, Wall Street has not seen anything like the current rally in more than six years. And some analysts think that means that the bull market is nowhere near its end.

If history is any guide, the study of a little-watched market indicator — the ratio of stocks that advance to those that decline on the New York Stock Exchange — suggests that share prices could go even higher in the next year.

What is happening is a historic rally, what some technical analysts call a breadth thrust or breadth stampede — a period in which share prices rise across the board, lifting the vast majority of stocks. The reason some analysts are so optimistic about the coming year is that such broad gains have tended to occur at the beginning of a bull market, and they have usually led to even bigger gains in the following year.

On Friday, declining issues exceeded advancing ones by a 3-to-2 ratio on the New York Stock Exchange, an exception to the rule of recent days. Still, the Dow Jones industrial average was up 19.45 points at a record 7,796.51, and the Standard & Poor's 500-stock index was up 0.71 to 898.70, also a record.

And over the 30-day trading period that ended on June 9, the cumulative total of daily advances of all stock issues on the Big Board was 13,097 greater than the total of declines. Even when the totals are adjusted to account for the growth of new listings in the past few decades, it still stands as one of the broadest stock rallies in 25 years.

The ratio of advances to declines over that 30-day period was 1.42 to 1, the best since March 1991, although well behind a run that occurred in 1976, when there were 1.8 advancing issues for every decline.

Still, there are some differences. While this year's rally came after one of the most serious declines in recent

The Dollar			
New York	Friday @ 4 P.M.	previous close	
DM	1.7276	1.7235	
Pound	1.6596	1.6487	
Yen	114.875	114.075	
FF	5.8265	5.818	
The Dow			
Friday close	previous close		
+19.45	7796.51	7777.06	
S&P 500			
Friday @ 4 P.M.	previous close		
+0.7	898.70	898.00	

years, one that saw the Dow lose nearly 10 percent of its value from mid-March to mid-April, it did not, like other breadth explosions, erupt out of months, if not years, of severe losses.

"It's unprecedented in this sense," said Robert Farrell, senior market analyst at Merrill Lynch, who has been following the advance-decline line for decades.

"I've never seen this before, where you have breadth thrusts after two spectacular years with only moderate corrections," he said.

As perplexing as it seems, though, Mr. Farrell and some other analysts see the recent gains as a harbinger of even better times to come.

"The only way I can interpret what's

See MARKET, Page 4

## Tobacco Companies Seal Historic Deal With States

### \$360 Billion Settlement Includes Health Care

Compiled by Our Staff From Dispatches

WASHINGTON — In a landmark \$360 billion settlement, anti-smoking forces and tobacco companies agreed Friday to unprecedented restrictions on cigarettes in exchange for sharp limits on tobacco makers' liability in lawsuits.

Michael Moore, Mississippi's attorney general and a lead negotiator in the hard-fought talks, called it "the most historic public health achievement in history."

"We stand here today, we hope, planning the flag to victory against the tobacco industry," he said.

Under the agreement, which still must be approved by Congress, smokers would see dire new warnings on cigarette packs, get free medical help to kick the habit and be inundated with nationwide anti-smoking advertising. Joe Camel and the Marlboro Man would disappear under strict new tobacco ad curbs.

In return, tobacco companies and investors would get relief from the uncertainty posed by pending lawsuits.

In all, the industry would pay out \$360 billion over 25 years, most of it for anti-smoking campaigns and public health efforts. It would put \$4 billion a year in compensatory damages into a fund that would pay any smoker who won a suit, and tobacco companies would never again face class-action lawsuits.

"We wanted to do something that would punish this industry for its past misconduct, and we have done that," Mr. Moore said.

President Bill Clinton, however, said Friday that he was naming two top administration officials to head a panel to review details of the settlement.

"We must now carefully consider whether approving this proposed settlement will protect the public health," he said in a statement that named Donna Shalala, Health and Human Services secretary, and a White House aide, Bruce Reed, in charge of the review.

"They will report to me on whether

See SMOKING, Page 4

## Should These Pranksters Be Jailed?

By Donald P. Baker  
Washington Post Service

TAMPA, Florida — It began as a youthful prank. Three friends, during a night of beer drinking, stole a bunch of highway signs to decorate the trailer they shared.

Soon after their night of revelry and vandalism in February 1996, a car roared through an intersection where a stop sign was missing and was broadsided by a truck. Three teenagers riding in the car died instantly.

Last month a jury here found the three vandals — who admitted taking some signs but not that particular stop sign — guilty of manslaughter. On Friday, they were each sentenced to 15 years in prison.

The three young defendants thus received what is perhaps the toughest punishment ever meted out in a vandalism-related case.

The decision by the prosecutors to charge the sign-stealers with manslaughter, and the ruling by a judge here, Bob Anderson Mitchell of Hillsborough County Circuit Court, that the accusations of theft and manslaughter could be tried together, focused na-

tional attention on the widespread and often tolerated stealing of road signs.

But because of the youth of the offenders, their lack of malice and the absence of direct evidence that they tampered with the sign, it has also ignited a debate about the appropriate punishment for such crimes.

After a three-week trial that was shown nationwide on television, high-

way safety officials hailed the prosecution, and began planning a national anti-vandalism drive similar to campaigns against drunken driving.

Yet no national statistics are available about this kind of vandalism. Spokesmen for the National Highway Traffic Safety Administration and the American Automobile Association could not recall a similar case.

To further complicate the scenario, the evidence against the defendants —

Christopher Cole, 20; his girlfriend, Nissa Baillie, 21, and their roommate, Thomas Miller, 20 — was so circumstantial that the family of one of the victims of the crash appealed to the judge to grant a new trial, or at least show leniency in sentencing.

But Judge Mitchum rejected the defense request for a new trial before beginning the sentencing hearing for Mr. Cole.

"I don't believe for one minute that you or the other two defendants pulled these signs up with the intent of causing the death of anyone," the judge told Mr. Cole. But pulling up the signs "has caused ramifications that none of you may have ever expected."

"There are no winners in this case," he said. "I've had difficult cases and this is at the top."

Leland Baldwin, the assistant state attorney who prosecuted the case, acknowledged this week that she had been criticized for bringing the manslaughter charge.

Her reply to those complaints: "This was not a prank. These were not young kids. These were young adults."

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Queen Elizabeth II and the Queen Mother arriving at Ascot on Friday.

## Picking Up the Pieces Of Britain's Ex-Empire

By Erik Ipsen  
International Herald Tribune

LONDON — In sunny Bermuda, the British empire still counts for something. "The governor's open carriage, plumed hats and splendid garden parties — the tourists all love it," said

David White. "But the governor himself is the only thing we get from Britain."

The governor's bills, much less those of the government, are all paid from local pockets, said Mr. White, editor of Bermuda's leading newspaper, the Royal Gazette.

Five hundred years after John Cabot began Britain's colonial odyssey by claiming barren windswept Newfoundland for king and country, and almost exactly 50 years after the independence of the erstwhile jewel in the crown, India, it has come to this. Bermuda, a little speck of a place with 61,000 souls, a place where the queen's official representative ranks right up there with the sandy beaches as a tourist attraction, will shortly become her most populous colony — they are now termed "dependent territories" — when Hong Kong reverts to China at the end of the month.

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Newstand Prices			
Andorra	10.00 FF Lebanon	11.3,000	
Arillas	12.50 FF Morocco	16 Dh	
Cameron	1.800 CFA Qatar	10.00 Rials	
Egypt	5E 5.50 Pakistan	12.50 FF	
France	10.00 FF Saudi Arabia	10.00 R	
Gabon	1100 CFA Senegal	1.100 CFA	
Italy	2.800 Lire Spain	225 PTAS	
Ivory Coast	1.250 CFA Tunisia	1.250 Din	
Jordan	1.250 JD U.A.E.	10.00 Dirh	
Kuwait	700 Fils U.S. Mil. (Exc.)	\$1.20	

## AGENDA

### Truce in Congo Republic Is Extended

KINSHASA, Congo (Reuters) — The warring factions in Brazzaville, capital of the Republic of Congo, agreed Friday to extend a truce for seven days as French troops withdrew from the city after evacuating foreign nationals.

A spokesman for Bernard Kolelas, mayor of Brazzaville and a mediator in the conflict, announced the extended truce: "The chiefs of staff of both sides have agreed to prolong the cease-fire for a period of seven days starting tonight at midnight."

The spokesman was reading from a statement signed on behalf of supporters of President Pascal Lissouba;

his rival, the former dictator General Denis Sassou-Nguesso, and Mr. Kolelas, whose own forces have so far kept out of the fighting. The three men had been due to contest a presidential election July 27.

The French ambassador, Raymond Cozmaire, said French troops had left the city after evacuating almost 6,000 French and other foreigners. "Yes, as far as I know they have all left," he said, adding that 30 military police remained in the city to protect French diplomats.

Mr. Lissouba and a special UN envoy, Mohammed Sahnoun, had urged France to leave its forces in the city.

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The Fall of Germany's Free Democrats

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The IHT on-line: <http://www.ihnt.com>



Mr. Yilmaz after his appointment.





# Germany's Free Democrats Watch Their Popularity Plunge

By John Schmid  
International Herald Tribune

FRANKFURT — With Germany groaning under the weight of record unemployment, staggering taxes to rebuild eastern Germany, waning industrial competitiveness and a welfare system it can no longer afford, the economic reform zealots in the nation's Free Democratic Party thought their moment had arrived.

They were wrong. According to opinion polls, Germans overwhelmingly reject the small, pro-business political party, whose policies are the nearest Germany gets to the free-market economics that have spawned legions of jobs in the United States and Britain.

"The message that Germany needs radical change has not gotten through," complains Robert Guenther, a Free Democrat activist in Solingen.

Only four years ago, the Free Democrats had seats in 15 of the nation's 16 state assemblies; today it has seats in four. In 1990, the party had 11 percent of the national vote, today it has only about 5 percent, the threshold to qualify for state or national representation. Now it is Germany's fourth largest party, trailing behind the Greens.

Not surprisingly, the decline in the party's popularity has coincided with setbacks for many of the economic and political reforms that Chancellor Helmut Kohl confidently proposed a year ago.

It also comes at the same time as a left-wing political tide in Europe that swept a Socialist-led government to power in France and forced Mr. Kohl's conservative allies to go back to defending big government.

Mr. Kohl's backtracking on support for austerity programs has left the Free

Democrats isolated even within Mr. Kohl's government, which it underpins as the junior coalition partner.

Mr. Kohl's hard-pressed finance minister, Theo Waigel, a member of the Christian Social Union, who has forced the Free Democrats several times in the past to abandon its anti-tax principles, had been seeking one last tax hike to cut the deficit and qualify Germany for European monetary union. For Mr. Waigel, it was the easiest way out of the worst budget crisis in the 14-year history of the current government.

Rather than backing down again, this time the Free Democrats have been uncompromising in resisting Mr. Waigel by engaging him in a game of brinkmanship: the party vowed to leave the government if Mr. Waigel raised taxes. The gamble might pay off. Under his latest budget plan, Mr. Waigel slowly and reluctantly agreed to forgo a tax

increase in 1997, and then this past week extended the pledge to 1998 as well. Deliberations between Mr. Waigel and the Free Democrats are expected to continue in coming days.

A budget deal without new taxes, if approved, would represent a badly needed success for the party, which lost credibility with past retreats from its anti-tax dogma.

The tax issue has obscured the rest of the party's free-market platform, which supports privatization of state-owned companies and opposes old-style state intervention, state subsidies and Germany's burdensome regulation.

And, to the dismay of many, the party welcomes foreign workers in Germany and wants to grant German citizenship to anyone born on German soil.

Clearly, the Free Democrats miss Hans-Dietrich Genscher, an internationally known figure until he retired in

1992, after nearly two decades as foreign minister.

These days the party is led by a man who is often described as a "yuppie," Guido Westerwelle, a 35-year-old lawyer.

Attacking state subsidies, another Free Democrat pastime, has not won any popularity contests. When coal miners rallied in Bonn in March to protest cuts in their state-subsidized paychecks, they barricaded the party's headquarters.

"Subsidies have become a way to buy votes, and thus a structural problem of democracy that hits Germany particularly hard," said Gerhard Papke, a Free Democrat aide in the Bundestag, the lower chamber of Parliament.

And Paul Friedrich, a party member of the Bundestag, said: "Germans are too busy with unification to notice the forces of globalization."

## BRIEFLY

### Veteran Is Picked As Tory Chairman

LONDON — The new Conservative leader, William Hague, began the task of rebuilding his party Friday with the surprise appointment of a veteran politician, Cecil Parkinson, as party chairman.

A day after defeating the former chancellor of the Exchequer, Kenneth Clarke, in a final ballot for the leadership, Mr. Hague said that Lord Parkinson, a symbol of the Conservative glory days of the 1980s, had accepted a job that is crucial to rebuilding the party's grass-roots support.

Lord Parkinson, 65, who was party chairman 14 years ago, is a close ally of former Prime Minister Margaret Thatcher and played a key role in her 1983 election victory. (Reuters)

### Gonzalez Won't Run As Socialist Leader

MADRID — Former Prime Minister Felipe Gonzalez, who led Spain for 13 years, stunned his supporters Friday by announcing that he would not seek re-election as the head of the Socialist Party.

Mr. Gonzalez said he wanted to be replaced "to open a new stage."

His re-election had been seen as a mere formality at a three-day party meeting that opened Friday.

Mr. Gonzalez, 55, gave no clear signal of his preference for a successor, opening the way for a leadership battle ahead of the general elections scheduled for 2000.

Delegates mentioned the NATO secretary-general and former foreign minister, Javier Solana Madariaga, and the Barcelona mayor, Pasqual Maragall, as potential candidates. (Reuters)

### Top Swiss Official Lashes Out at U.S.

BERN — In a debate with a top U.S. historian, the Swiss foreign minister on Friday sharpened his rejection of American suggestions that Switzerland helped the Nazis and prolonged World War II.

"Even neutral nations can make mistakes and Switzerland made mistakes," said the minister, Flavio Cotti. "But it is simply unacceptable to equate neutrality with immorality."

The comments were made at a seminar about a U.S. government report on Nazi Germany's gold dealings with Switzerland, William Slany, chief historian at the U.S. State Department, was one of the guest speakers. (AP)

### Ex-Minister Drops U.K. Libel Action

LONDON — A former cabinet minister, Jonathan Aitken, dropped his libel action Friday against a newspaper and a television channel over allegations about his links to Saudi business associates.

The attorney for Mr. Aitken, who left the cabinet in 1995 to fight the libel actions, gave no reason for dropping the suits. But the move came a day after The Guardian newspaper and Granada Television said they had uncovered new evidence that cast doubt on Mr. Aitken's defense. (Reuters)

## Arms Radiation Mishap Kills Russian

Compiled by Our Staff From Dispatches

MOSCOW — A nuclear researcher died Friday three days after receiving a high dose of radiation during an experiment at one of Russia's largest nuclear research centers, officials reported.

Alexander Zakharov, 42, died of radiation sickness after he was inadvertently exposed to several hundred reenters, said Vitali Nasonov, a spokesman for the Nuclear Power Ministry.

A safe annual exposure is considered to be in the range of five reenters.

Mr. Zakharov was flown to a hospital in Moscow from Arzamas-16, a town of 80,000 people about 350 kilometers (220 miles) east of Moscow, and treated in a sterile room at Clinic No. 6, one of the main centers used for treating victims of the explosion at the Chernobyl

nuclear reactor in 1986.

Doctors said they had hoped that the experience they gained after the Chernobyl accident would help them to keep Mr. Zakharov alive.

The incident occurred Tuesday at the research center near the city of Nizhny Novgorod, while Mr. Zakharov was conducting an experiment involving incomplete nuclear chain reactions.

Arzamas-16 is one of Russia's so-called secret cities, closed to foreigners, where military-related work is carried out.

Officials blamed the accident on human error and said there was no radiation leak outside the experiment area. The room was sealed off and the authorities have been trying to devise a safe way to decontaminate it.

Mr. Zakharov was conducting a

weapons test involving a controlled nuclear chain reaction using small amounts of uranium when what the ministry called "a serious breach of the rules" caused "an irregular radiation situation involving the emission of neutron rays."

Doctors said Mr. Zakharov was the first Russian to suffer serious injury in a nuclear accident since the Chernobyl mishap that killed many people and contaminated a vast area.

Ukraine is looking to the Denver summit meeting this week of the Group of Seven leading industrial nations for concrete help on the Chernobyl problem. The nation has been talking with the West for several years to get financial help to shut down the Chernobyl plant.

(AP, Reuters)



MINERS' SOLIDARITY — Coal mine workers proclaiming victory Friday in Petrosani, western Romania, after a 10-day strike ended with the government agreeing to raise their salaries by 30 percent.

## UN Team in Congo as Evidence of Massacres Grows

Compiled by Our Staff From Dispatches

KINSHASA, Congo — President Laurent Kabila's reputation as the "liberator" of the former Zaire was hanging in the balance Friday after the arrival of a United Nations team to help investigate mounting evidence that troops fighting for him massacred thousands of refugees.

The six-member advance team arrived early Friday to prepare the ground for a second group of UN forensic, human rights and security specialists, who will arrive July 7 to begin the inquiry in earnest.

International humanitarian groups contend the Kabila troops slaughtered thousands of

refugees as they swept across the country during their eight-month campaign to oust President Mobutu Sese Seko.

The arrival of the advance party coincided with a BBC report that its East Africa correspondent had collected "eyewitness accounts" from villagers who told of both local civilians and Rwandan refugees being killed by Mr. Kabila's forces.

The correspondent, Kathy Jenkins, said she was told by several people in one village that Kabila-allied soldiers in April had come looking for Hutu militiamen.

"When they found none, they rounded up 15

of the villagers and shot them," she said, adding that the victims included two women and a child. She said the Tutsi soldiers had accused the villagers of sheltering Hutu militiamen responsible for the genocide in Rwanda in 1994.

■ UN Employee and Family Slain

The UN High Commissioner for Refugees suspended work Friday in a troubled Rwandan region after a Hutu driver, his wife and two children were killed in the third attack against UN staff in just over a week. Reuters reported from Geneva.

WATCH 25, 26 & 27 JUNE  
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**FRANCE/TOULOUSE**  
HOPE INTERNATIONAL CHURCH (Evangelical), 4, bd. de Pijp, Colmar. Sunday service, 6:30 p.m. Tel.: 06 62 74 11 55.

**FRENCH RIVIERA/CÔTE D'AZUR**  
NICE: Holy Trinity (Anglican), 11 rue Bata, Sun. 11:00. Tel.: 33 04 93 87 19 83.

**MONTE CARLO**  
MONACO CHRISTIAN FELLOWSHIP (Evangelical), 11 a.m. Sun. 9:45. Tel.: 33 04 93 87 19 83.

**PARIS AND SUBURBS**  
EMMANUEL BAPTIST CHURCH - 56, rue des Bons-Enfants, 92500 Neuilly-Malmaison. Summer Schedule: 9:45 Morning, 11:00 Coffee Hour. For more info call 01 47 51 29 63 or check: <http://www.godchances.com/Paris/Metro1382>

**HOPE INTERNATIONAL CHURCH**  
Hotel Orion at Paris-La Defense, 8 bd. de Neuilly, Workshop Sundays 9:30 a.m. Rev. Douglas L. Miller, Pastor. Tel.: 01 43 33 04 06. Metro 1 to La Defense Exit/Entrée.

**SAINT JOSEPH'S CHURCH** (Roman Catholic, MASS IN ENGLISH) Sat. 8:30 p.m. Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 43 27 28 55. Metro: Charles de Gaulle - Ecole.

**TOKYO**  
ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Sta. Tel.: 3261-3740. Workshop Service 9:30 a.m. Sundays.

**TOKYO UNION CHURCH**, near Ohtsuka Subway Sta. Tel.: 340-0077. Workshop Service: Sunday - 8:30 & 11:00 a.m., 9:45 & 11:45 a.m.

**SWITZERLAND**  
BASEL CHRISTIAN FELLOWSHIP (Evangelical), 11:15 a.m. Sun. 10:30. Tel.: 41 56 302 1674. Sundays 10:30. Mission Street 13, CH-4053 Basel.

**ZURICH-SWITZERLAND**  
ENGLISH-SPEAKING CATHOLIC MISSION, St. Anton Church, Minervastrasse 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

**THE EPISCOPAL CHURCHES OF EUROPE (Anglican)**

**BRUSSELS/WATERLOO**  
ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. At other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 559 Chaussee de Louvain, Orléans, Belgium. Tel.: 32 2 384 3555.

**WIESBADEN**  
THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, 1st Sun. 10 a.m. Family Eucharist, 10:45 a.m. Sunday School. 559 Chaussee de Louvain, Orléans, Belgium. Tel.: 49 61 20 82 74.

**EUROPEAN BAPTIST CONVENTION**

**BERLIN**  
L.B.C., BERLIN, Robertstr. 13, (Steigler), Sunday, Bible study 10:45, worship service 12:00 noon. Chrises Wilford, pastor. Tel.: 030 6122-4570.

**BREITENBURG**  
L.B.C., Hohenzollernstr. 17, 10115 Berlin. Pastor: telephone: 030 6122-4570.

**BUCHAREST**  
L.B.C., Strada Popa Ruzi 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3880.

**BUDAPEST**  
L.B.C., meets at Motes Zsigmond Gimnázium, Tölgessz. ut. 45-54, Sun. 10:00. Tel. 250-3222.

**BULGARIA**  
L.B.C., World Trade Center, 36, Drahov Tzankov Blvd. Workshop 11:00. James Duke, Pastor. Tel.: 069 68 68 68.

**FRANKFURT**  
INTERNATIONAL CHRISTIAN FELLOWSHIP, Ex-Friedrichstraße 6, 60333 Frankfurt. Tel.: 49 69 68 68 68.

**BETHLE L.B.C.** Am Dachsberg 92 (English), Workshop Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069 465555.

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### TRAVEL UPDATE

#### Airlines of 3 Nations Create Route Network

MELBOURNE (AP) — Airlines from Singapore, New Zealand and Australia announced plans Friday to combine some of their operations and create a network of routes to 200 cities.

The agreement, among Singapore Airlines, Air New Zealand, Ansett Australia and Ansett International includes a code-sharing arrangement, in which airlines book passengers on each other's planes as part of a single trip.

Related article, Page 15.

#### Typhoon Rakes Japan

TOKYO (Reuters) — The typhoon designated Opal ripped through central Japan on Friday, killing one person and disrupting air, rail and road traffic.

Opal, classified as a medium-strength typhoon, was packing maximum winds of 108 kilometers per hour (68 mph).

Flights were delayed at Newark International Airport Friday morning after a fire at an electric station caused blackouts in New Jersey. Public Service Electric & Gas Co. said.

United Airlines said it plans to add a second daily Miami-to-Caracas flight July 15 to meet demand. (Bloomberg)

#### Correction

Nguyen Co Thach was incorrectly identified in a caption in Friday's editions. He is the former foreign minister of Vietnam.

### WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Region	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Europe	Partly cloudy	68	48	Partly cloudy	72	52	Partly cloudy	75	55
North America	Partly cloudy	75	55	Partly cloudy	78	58	Partly cloudy	80	60
Asia	Partly cloudy	85	65	Partly cloudy	88	68	Partly cloudy	90	70
Africa	Partly cloudy	80	60	Partly cloudy	82	62	Partly cloudy	84	64
Latin America	Partly cloudy	70	50	Partly cloudy	72	52	Partly cloudy	74	54
Oceania	Partly cloudy	75	55	Partly cloudy	78	58	Partly cloudy	80	60

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# With Rapist's Conviction, Her Nightmares End After 11 Years



Adrienne Ortolano in her first interview since she was raped in 1986. Her attacker was convicted June 12.

By Monte Williams  
New York Times Service

STAMFORD, Connecticut — Every night for 11 years she says she has thought about some aspect of what happened to her, whether it was Alex Kelly's powerful grip on her throat, the paralyzing fear she felt during the rape or Mr. Kelly's flight from justice. When sleep finally came, so, too, did the nightmares. In a recurring dream, Mr. Kelly followed through with a threat that she says he made three times after he attacked her. "He said, 'If you tell anybody, I'll do it again, and I'll kill you,'" Adrienne Ortolano recalled, granting her first interview since her rape in 1986 and allowing herself to be identified and photographed. "I'll never forget the words he used, or his tone. In my dream, he never got to the killing part. I would always wake up as soon as he had me down with him on top of me."

Last week, after a jury of three men and three women convicted Mr. Kelly of rape in state Superior Court here, Ms. Ortolano said her nightly terror vanished. On the morning of June 13, the day after the verdict, her husband,

Chris Ortolano, asked her how she rested. "I said I slept very well," she said. "I didn't have any nightmares. He told me, 'You've had your last nightmare.'"

The guilty verdict was a testament to the tenacity Ms. Ortolano has shown since her rape. She rejected a plea bargain in the year after the rape, and again last fall. She hired a lawyer to track down Mr. Kelly in 1994, years after he had fled to Europe as a fugitive, in 1987. Mr. Kelly spent eight years there.

She weathered one trial that ended in a deadlocked jury and took the stand for a second time during the second trial. Each time she was called a liar and subjected to a withering cross-examination, and during the second trial, Mr. Kelly's lawyer called her a drug user.

Ms. Ortolano, 27, said she agreed to an interview because she wanted to give other rape victims the courage to "come forward, follow through and get justice." She said she also wants the world to know that she is not ashamed of who she is.

"I'm a survivor of rape, and there are thousands of survivors of rape just like me," she said in a voice that remained steady through most of the interview, conducted in

the office of her lawyer, David Golub. Finally, she said she was going public to set the record straight.

Although she was never identified in news accounts about the case, she said she still felt sullied by Mr. Kelly's lawyer, Thomas Puccio, who accused her of using drugs that night and of agreeing to have sex with Mr. Kelly. In his defense of Mr. Kelly, Mr. Puccio said she had concocted a tale of rape out of shame of losing her virginity in the back of a Jeep to an 18-year-old she had just met, a youth with whom she would have no future because he had a girlfriend.

Ms. Ortolano, who works as a sales representative for a pharmaceutical company, said nothing could be further from the truth. She did not use drugs, she insisted.

"I never flirted with Alex Kelly," she said. "Mr. Puccio said I was a liar. He said I wanted to have sex with Mr. Kelly. He also implied I was drunk. That's also untrue."

In the two-hour interview, Ms. Ortolano appeared alternately confident, guarded and angry. She said that while the nightmares may be gone, she still does not feel at ease. Mr. Kelly, she noted, remains free on \$1 million

bond until his sentencing on July 24, and she says she is still afraid of him.

She said she was so obsessed with rape throughout her college years at Northeastern University that nearly every term paper she wrote was about sexual assault.

"I always wanted to tell everybody what had happened because many people think it couldn't happen to them," she said.

She confided her ordeal to Mr. Ortolano soon after they began dating. She was 20 at the time. She sought psychological counseling, which continues to this day, and Ms. Ortolano said she remained distrustful of men after the assault.

When she met Mr. Kelly at a party in Darien, Connecticut, she was Adrienne Bak, a suburban teenager. Mr. Kelly was a high school wrestling star. She accepted his offer of a ride home, but said she had been reluctant because he had received some local notoriety as a convicted burglar and drug user.

"I wish I had followed my instincts," she said. "But my friends said it was O.K., that he could give me a ride home. They knew him. I didn't. But I blamed myself for taking the ride."

## Gingrich Unfazed by House 'Turmoil'

By David S. Broder  
Washington Post Service

WASHINGTON — Newt Gingrich, the House speaker, says that he is besieged by the media, the Democrats and fellow conservatives, but that he is in no danger of losing his job.

Accounts of his possible ouster by rebellious Republicans come from "a totally self-fed media frenzy," the Georgia Republican said in an interview. There is "zero quotable evidence of any kind that my career is at stake."

That assessment is supported by conversations with a cross-section of Republican lawmakers in the House who agree that, for now, the speaker is safe. At the same time, even Mr. Gingrich's close allies say he is now in a very difficult

position that will not change soon.

Mr. Gingrich's latest bout with controversy began last week, after a Republican strategy to confront President Bill Clinton collapsed. Republican lawmakers had loaded a flood-relief bill with two unrelated riders, but they backed down when Mr. Clinton vetoed the bill as public support turned against them.

On Wednesday, Mr. Gingrich appeared unconcerned about the discussion in the Republican ranks, and as voluble as ever about his plans to craft a new "Contract With America" for the congressional election campaign of 2000.

He did acknowledge that he was rethinking his leadership tactics and was asking fellow conservatives to get over their "presumption" that someone is about "to sell us out today."

What news organizations had begun to call the "GOP turmoil" story was dismissed by Mr. Gingrich as falling well within "the normal parameters of a majority with an opposition-party president, working through a series of historic issues. Some things work brilliantly; others, not so well," he said. "People should relax and get used to it."

Some of the speaker's longtime allies and advisers say the problems in the House Republican cloakroom are a lot more serious than that.

Historical circumstances little appreciated by rebellious rank-and-file members and advisers say the problems in the House Republican cloakroom are a lot more serious than that.

Mr. Gingrich has been reluctant to acknowledge under the upsurge. "The heart of the dilemma, as allies of Mr. Gingrich see it, is that the speaker fueled a movement of political revolutionaries who have now turned on him — because political realities have forced him to take a much more cautious and accommodating stance."

Mr. Gingrich's own analysis of what has gone wrong puts much of the blame on others: the conservative movement, the press, his enemies in organized labor and the Democratic Party.

"Some of our conservative critics are so used to being on defense that they automatically yell, 'Sack the quarterback,' even when it's their quarterback on the field," he said. "It is very difficult for conservatives who have spent their lives being anti-Communist, anti-Washington, anti-tax suddenly to be pro-Congress," he added.

"The conservative movement historically since World War II has always felt betrayed," Mr. Gingrich said, diagnosing a degree of paranoia on the right. "Eisenhower, Nixon, Ford were never conservative enough. Ultimately, Ronald Reagan was not conservative enough for them. There is an automatic presumption: We know they will sell us out eventually and we wonder if they will sell us out today."

While many Republicans on and off Capitol Hill have made Mr. Gingrich the scapegoat in the recent policy reversals, most Republican members of the House still describe him as the natural leader of their cause.

## Medicare Overhaul Under Fire

By Adam Clymer  
New York Times Service

WASHINGTON — The bipartisan shine on Senate efforts to revitalize Medicare and protect its finances has already started tarnishing, as the plan met painful silence from House Republicans and withering attacks from Democrats.

On both sides of the Capitol, high-ranking congressional aides said the central elements of the plan — to raise the Medicare eligibility age to 67 from 65 and increase payments by the well-off elderly — were unlikely to become law.

The obstacles amounted to the same barrier that has thwarted efforts for several years to protect Medicare against the surge of baby-boomer retirements foreseen in the next century: the fact that old people vote.

On Thursday, Republicans showed no appetite for signing on to a plan produced suddenly, without hearings or consultation, in a Senate committee. Aides said their bosses expected the Senate itself to kill the plan on the floor next week — and spare them the need to kill it in conference.

Senator Edward Kennedy, Democrat of Massachusetts, who has led most of his party's successful efforts on health care, told the Senate that the idea the plan was needed to preserve Medicare for future generations was "hogwash."

He said, "Our goal is to save Medicare, not destroy it."

He argued that raising the eligibility age to 67 would break "a compact made with millions of working Americans" and would "throw millions of seniors into the ranks of the uninsured."

He also attacked the plan for increasing the annual deductible from \$100 to \$540 for individuals with incomes over \$50,000, and to \$2,160 for those with incomes over \$100,000.

In other decisions Thursday, the Senate Finance Committee agreed to add \$8 billion in new financing for children's health insurance by raising the tax on cigarettes by 20 cents a pack, nearly doubling the current federal tax of 24 cents a pack. The increase was proposed by Senator Orrin Hatch, Republican of Utah, who along with Mr. Kennedy, has been pushing a proposal to use the proceeds to provide health coverage for uninsured children.

But the White House said it would veto the bill over that provision. In a statement, it said the whistle-blower measure would usurp "the president's constitutional authority to protect national security and other privileged information." (NYT)



SAYING 'NO' IN PERU — A Lima resident signing a petition calling for a referendum to bar President Alberto Fujimori from seeking election to a third term in 2000. Organizers want to keep Mr. Fujimori, whose popularity has plummeted, from sidestepping judicial panel rulings that he cannot run again.

## POLITICAL NOTES

### Whitewater Counsel Beefs Up His Office

WASHINGTON — The independent counsel in the Whitewater case, faced with criticism of his inquiry's pace, has shored up his staff by appointing four prosecutors.

Among the appointments made by the prosecutor, Kenneth Starr, is that of John Bates, who will be deputy independent counsel. Mr. Bates left Mr. Starr's staff in February when Mr. Starr announced that he was stepping down to take a university job, a decision he later reversed after a torrent of criticism.

Even some of Mr. Starr's own friends and colleagues say his lack of prosecutorial experience and his operating mode — working part-time as independent counsel while continuing to handle cases for his Washington law firm — have slowed the investigation into the involvement of President Bill Clinton, and his wife, Hillary, in an Arkansas real-estate deal, and other matters. (LAT)

### Clinton Threatens Veto of Spy Bill

WASHINGTON — The Senate has passed a secret spending bill for U.S. intelligence, but the White House threatened to veto it over a provision that would protect whistle-blowers.

The amount of money provided by the bill, passed Thursday, is classified. But it is known that it would let employees of the Central Intelligence Agency and other intelligence agencies tell members of Congress classified information that would expose a crime, without fear of reprisal.

### Away From Politics

• The man who tried to kill President Ronald Reagan in 1981 cannot leave the mental hospital for unsecured visits with his family because "he has deceived those treating him in ways too numerous to recount," and may still be dangerous, a federal judge has ruled. The judge cited the opinion of a government psychiatrist who testified that the behavior of the would-be assassin, John Hinckley Jr., toward the hospital's chief pharmacist was similar to his onetime obsession with the actress Jodie Foster. (NYT)

• All those infected with AIDS should be treated with a three-drug combination of anti-viral medications, and most people in the early, symptom-free stage of human immunodeficiency virus infection should get the same aggressive treatment, the federal government has recommended. A document prepared under the auspices of the Department of Health and Human Services tells doctors what is good — and what is substandard — care for patients with HIV infection. The guidelines, which have no regulatory or legal force, contain specific advice about when to start treatment and how to change it. (WP)

• Civilian complaints against New York City police officers, which rose steadily during the first half of the decade, dropped slightly in 1996 and then by nearly 21 percent during the first five months of this year, according to statistics released by the Civilian Complaint Review Board. (NYT)

• Arid California, which faces the threat of wildfires every summer, is bracing for a devastating fire season this year with almost no rainfall in recent months along with unusually abundant brush growth. In some areas of Southern California, the grass and brush growth this spring is 50 to 60 percent drier than usual. (WP)

## FULL-LENGTH FEATURES, By Matt Gaffney

ACROSS

1 Sleeping spots

7 Hats

13 Mark of official approval

18 White-knuckled

20 Pointless

21 Breathing aid

22 1944 film

23 See 45-Down

24 With 45-Down, bid

27 Blasted a hole in

28 Boots

29 "The Road Runner" background sights

30 — mod in your eye!

31 Pitcher Fernandez

32 Fan letdown

33 "The First Wives' Club" members

40 Latin clarification

42 Make an outstanding design?

46 1965 film

51 Skirt

52 English churchyard features

53 Dealer in piece goods

54 Literally, "goddess"

55 They're toasted at luncheons

56 Shooting match

58 Domingo's tunes

62 Word of encouragement

63 City of northern Finland

64 Certain drop

65 Singer Jackson

67 1986 or 1994 film

72 Habituated

73 "James and the Giant Peach" author

74 Dole's Senate successor

75 Int. air hub

76 Big name in video games

77 Golden — (seniors)

79 Ball throwers

80 It played the Platters' platters

81 Hoglike animals

84 Auto with models 900 and 9000

85 Locals of ancient Ur

86 1951 film

91 Unfair shake

92 Relaxation in 63-Across

93 Exciting experience, in slang

94 En-graved letters?

95 "That feels good!"

97 Was in knots

100 Recusant

103 If A = B and B = C, then A = C, e.g.

106 "Serpico" author

108 Glass

109 Currency Act, 1913

110 Impolite reply

112 1948 film

113 Heiress

119 Like some walks

128 Successful person

121 Bootlecker

122 Theatrical "The Happy of Oceanic"

123 Bay, county or city of Ireland

DOWN

1 Super Bowl XIV participants

2 Late bedtime

3 Daze variety

4 Request to a guest

5 Keyran, independence leader — Mboya

6 Look for damages

7 Farmer Chief Justice Harlan — Stone

8 Breaks

9 More than nod

10 Contentious political assembly

11 Antivenous

12 British F.B.I.

13 First name in folk

14 Third Chinese

15 Two-time president of Texas

16 Snob

17 Actress Harper and others

18 Computer game — City

19 Iso — of the P.G.A.

23 Slangy turn-down on whom Cruise was based

24 Coming up

25 Crayola color

31 Canceled

32 Questionnaire datum

34 Author LeShan

35 "Edward Scissorhands" star

39 Strait of Messina

41 Iron Prefix

43 "The Simpsons" bartender

44 With 111-Down, vulture or hawk

45 With 25-Across, voiced an opinion

46 Satanic monitor

47 Southern swarmer

48 Lull

49 Sympathetic sounds

50 A Turner

51 Pays the price for

56 Namesakes of a son of Adam

57 Swiss theologian Barth

59 Site of a famous flag-raising

60 See 26-Across

61 Real-life sailor on whom Crusoe was based

63 Words of praise

64 Paul J., e.g.

65 Fox cohosts

66 18, 19 and 20 of a series

68 Henry Clay, for one

69 West-central Texas city

70 Double fold

71 Challenger of the dragon Smokey

77 Boost

78 "The Pelican Brief" author

79 Case workers, for short

80 Archer

82 80's film autobiography subtitled "My Story"

83 Bear of literature

84 Fish that sings when mating

85 Sn

86 Embodiment of impracticality

87 They make calls from home

88 Some TV's "Breckinridge"

89 The Tar Heels: Abbr.

90 Mouths

91 Loud and rude

96 1944 Bing Crosby hit

98 Cuddly film

99 Option

101 "Stand By Me" creatures of 1983

102 Jostle

103 Historic rival of Florence

104 City near Provo

105 Vidal's — "Breckinridge"

107 Prefix with -vert

109 Riot-stopping

111 See 44-Down

113 Mid.

114 Wheaton of "Stand By Me"

115 Seasonal drink

116 Actress Thurman

117 Country singer McDaniel

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**Solution to Puzzle of June 14-15**

ACROSS	DOWN
1. Super Bowl XIV participants	1. Super Bowl XIV participants
2. Late bedtime	2. Late bedtime
3. Daze variety	3. Daze variety
4. Request to a guest	4. Request to a guest
5. Keyran, independence leader — Mboya	5. Keyran, independence leader — Mboya
6. Look for damages	6. Look for damages
7. Farmer Chief Justice Harlan — Stone	7. Farmer Chief Justice Harlan — Stone
8. Breaks	8. Breaks
9. More than nod	9. More than nod
10. Contentious political assembly	10. Contentious political assembly
11. Antivenous	11. Antivenous
12. British F.B.I.	12. British F.B.I.
13. First name in folk	13. First name in folk
14. Third Chinese	14. Third Chinese
15. Two-time president of Texas	15. Two-time president of Texas
16. Snob	16. Snob
17. Actress Harper and others	17. Actress Harper and others
18. Computer game — City	18. Computer game — City
19. Iso — of the P.G.A.	19. Iso — of the P.G.A.
20. See 26-Across	20. See 26-Across

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INTERNATIONAL

# Skepticism Deepens at Rebels' Report of Pol Pot's Surrender

By Seth Mydans  
New York Times Service

PHNOM PENH — For the second time this week, the clandestine radio station of the Khmer Rouge guerrillas reported Friday that the movement's fugitive leader, Pol Pot, had capitulated. The new broadcast was greeted with deepening skepticism here in the capital, after a week of unconfirmed reports about what had become of the man accused of the deaths of a million people from 1975 to 1979.

It then described what it said was a mass meeting of 3,000 villagers who took turns standing up to denounce Mr. Pol Pot as a "ruthless dictator" at his jungle headquarters of Anlong Veng. The broadcast followed a report Friday morning by the first prime minister, Prince Norodom Ranariddh, that Mr. Pol Pot, stranded in the jungle with only 15 armed men, had asked to surrender. According to the prince, the Khmer Rouge leadership split last week and Mr. Pol Pot fled into the jungle after killing a top lieutenant and seizing other Khmer Rouge officials as hostages.

But Prince Ranariddh has not visited the area and is at the mercy of his own informants, who, one Western diplomat suggested, might themselves be getting their information from Khmer Rouge sources. "We are in the realm of pure speculation," said Christophe Peschoux, a leading expert on the Khmer Rouge. "We have such scanty evidence to go on. I'm not saying it's not true. But all we have are statements from people who have their own political agendas."

A Western diplomat noted that for all the talk of surrender, Mr. Pol Pot was still among the Khmer Rouge guerrillas he has commanded for nearly 30 years. "I don't think we can talk about surrender or capture until he is in the hands of the government," he said. The reported split in the Khmer Rouge leadership would appear to be related to differences over whether to continue the guerrilla war or to strike a deal with Prince Ranariddh. The prince's emissaries had reportedly been negotiating with the Khmer Rouge at Anlong Veng. The prince's attempts to forge an alliance with defecting Khmer Rouge

leaders is part of his increasingly dangerous power struggle with his co-prime minister, Hun Sen. The potential for violence growing out of that power struggle was demonstrated late Tuesday night when security units loyal to different political parties opened fire on each other, paralyzing the capital with heavy gunfire for two hours and killing at least two people. Speaking to reporters Friday morning, Mr. Hun Sen joined in the expressions of skepticism that are being voiced by experts on the Khmer Rouge, foreign diplomats and ordinary people ranging from Cambodian journalists to shop owners. "This is a political game," Mr. Hun Sen said of the Khmer Rouge radio reports. "I don't believe it. First, Khmer Rouge radio says Pol Pot has betrayed; but betrayed whom, since he is their top leader? Then, the day before yesterday, they say Pol Pot has surrendered; but surrendered to whom, since he is their top leader?"

## Thief in Tel Aviv Steals Bag, and Finds a Bomb

The Associated Press

TEL AVIV — A man who thought he was stealing a bag left by a sunbather on the beach in Tel Aviv on Friday discovered that he was carrying a bomb packed with several kilograms of explosives, the police said.

The man took the bag to a nearby apartment building, opened it to check the contents and found a bomb fixed with a timer mechanism as well as a cookie tin filled with nails.

He ran to the nearest hotel where the manager contacted the police, who sealed off the area close to the beachfront promenade, evacuated residents of the apartment building and detonated the explosives.

The police were investigating whether the bomb was placed on the crowded beach by criminals or by Palestinian militants. The Palestinian militant group Hamas has taken responsibility for a series of bombings attacks, including one at a Tel Aviv cafe in March in which three Israeli women and the bomber were killed.

Most Hamas attacks were suicide bombings.

## Violent Clashes in Hebron

Palestinians unleashed barrages of fire bombs and stones at Israeli soldiers, who shot and wounded at least 40 of them in the West Bank town of Hebron on Friday in the fiercest day of clashes in a week, Reuters reported.

The clashes underscored tensions over a three-month impasse in talks between Israel and the Palestine Liberation Organization on the expansion of Jewish settlements in the Gaza Strip and the West Bank, including Arab East Jerusalem.

The violence Friday began when about 100 youths attacked about 60 Israeli soldiers barricaded behind an iron gate separating Jewish enclaves from PLO-controlled areas.

## SUMMIT: U.S.-Japan Trade Maneuvers

Continued from Page 1

regulation in the telecommunications, medical devices and pharmaceutical products, housing and construction, and financial services sectors. It builds on the earlier U.S.-Japan Framework Agreement.

Ms. Barshefsky said that the U.S. side had "much to gain" from more open Japanese markets, and that Japanese consumers would benefit from greater choice and lower prices.

She implied that the agreement was aimed primarily at the Japanese, saying that the United States already "is the world's most open major economy."

But the impression that this was a one-

way agreement and that somehow U.S. officials would be supervising Japanese deregulation was quickly hammered down by the Tokyo delegation, beginning with Mr. Hashimoto.

"We have no intention of being supervised," he said. "We are friends, so we are ready to discuss matters with the United States."

And a Japanese Foreign Ministry official said that Tokyo considered the agreement to provide for Japanese monitoring of U.S. deregulation efforts, not just the other way.

"This enhanced initiative will take place under the basic principle of two-way dialogue," a Japanese spokesman said. "Japan can take up issues with the U.S. side." These issues, he said, could include complaints by Japanese telecommunications companies that they face unfair licensing barriers to compete in the U.S. market.

The suggestion by U.S. officials that the accord was expected to produce results in a year was also played down by the Japanese. "The Hashimoto cabinet has been working harder than ever to promote deregulation," the spokesman said, "but we do not have any time limit."

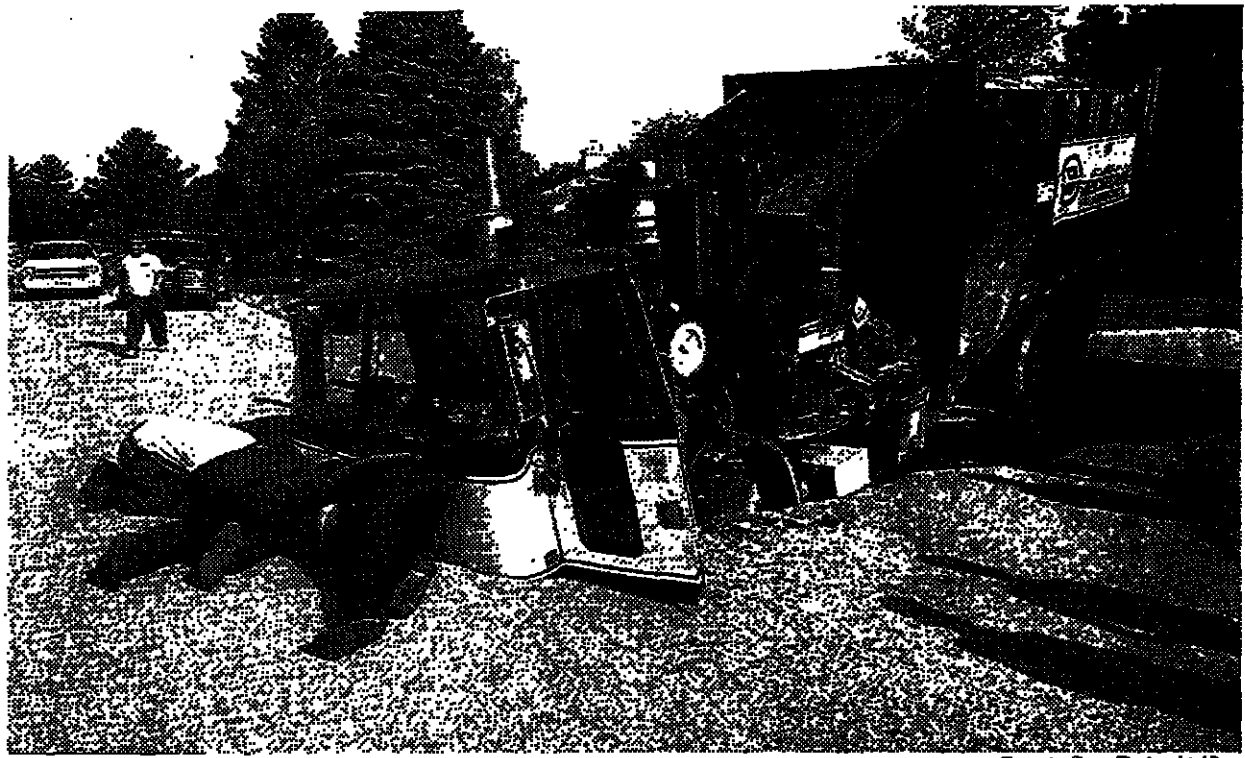
The Japanese said, however, that there was a meeting of minds on several other issues expected to be discussed at the summit meeting: the need to open four-party talks dealing with the Korean Peninsula, mutual support for integrating China into the international financial community and the importance of Hong Kong's maintaining its present lifestyle after it reverts to Chinese sovereignty on July 1.

## Russia to Detarget Japan

Russia pledged Friday to remove Japan from the list of Russian nuclear missile targets, in a major step to repair relations with Tokyo, Reuters reported from Denver.

A Japanese official said President Boris Yeltsin made the promise during a meeting with Prime Minister Hashimoto. The official said Japan had agreed to hold regular summit meetings with Russia and establish telephone hotlines.

Mr. Yeltsin and President Clinton were meeting later Friday to discuss European security issues, arms control and Russia's integration into the global economy.



THAT SINKING FEELING — Garage mechanics studying the question of how to tow a waste disposal truck out of a sinkhole after the road collapsed Friday in North Guilford Hills, Pennsylvania. There were no injuries.

## MARKET: Wall Street Bulls Find Justification for Optimism in the 'Breadth Stampede'

Continued from Page 1

going on is: This is not the end of the bull market," Mr. Farrell said. "The odds are the market's going up for another three to six months."

He added that a study he conducted showed that after a historic gain in market breadth, over the next six months stock prices rise about 80 percent of the time.

Tim Hayes, a senior equity strategist at Ned Davis Research Inc., said he found similar results in studying the advance-decline line of the Standard & Poor's 500-stock index, going back to 1979. The company's cumulative chart recently reached a high, and the ratio of advances to declines through June 9 was almost identical with that of the Big Board.

Beyond indicating that investors are buying into a wider variety of companies, such strong ratios in the past have

indicated that the market is gathering momentum, a kind of warm-up sprint for a bigger run-up in prices.

For instance, in September 1982, a broad stock market rally erupted out of the recession of 1981 and early 1982. The next year, the S&P 500-stock index rose about 36 percent and the Nasdaq composite index soared 61 percent.

There was an even better run in 1975, after the market emerged from one of the worst bear markets in history, with the Dow plunging 27 percent in 1974. A year after the 1975 broadening, the S&P 500 was up 41.3 percent. Still, there is one glaring exception. Shortly after the market saw broad gains in October 1973, it began spiraling downward into the worst collapse since the Depression.

The usual trend, however, is to see gains, which might be encouraging news for some investors. But not all analysts agree with Mr. Farrell of Merrill Lynch.

Instead, they say that because the 1997 gains did not come out of a bear market, the old rules might not apply.

"It's a funny period," said Charles Clough Jr., chief investment strategist at Merrill Lynch, who has had bearish leanings for some time. "All sorts of things are happening that have never happened before. Let me tell you, I've bowed down before this market. But usually, your best periods of broad market advance have rebounded off some economic low."

## Sales of Short Positions Increase

The New York Stock Exchange has said that open positions of short sales rose nearly 5 percent to a record 3.44 billion shares for the month ended June 10, The Times reported.

Short interest was equal to 1.8 percent of the total shares listed on the Big Board, the exchange said Thursday. Open positions of short sales are shares

that have been borrowed and sold, but not yet covered by repurchase.

On the smaller American Stock Exchange, short interest rose 7.45 percent, to 171 million shares — also a record — for the same period.

In a short sale, an investor borrows shares from a brokerage firm and sells them, hoping to buy them back at lower prices and make a profit. If the share rises in price, the short-seller faces a loss.

High short-interest positions have been considered an indicator of bearish sentiment among market investors. But some analysts say large short interest positions are a positive sign because short-sellers eventually have to buy the shares back.

Still, short interest can rise because of complex trading strategies involving options, futures and other stock-related derivatives. Investors also sell short for merger arbitrage.

## CLUB: Not-Quite Status

Continued from Page 1

That may seem like a distinction without a difference. After all, unlike the North Atlantic Treaty Organization or the European Union, there is no G-7 organization, as such, outside of the annual summit meetings — no headquarters, no bureaucracy, not even any bylaws or formal membership criteria. But the nuances involved in the terminology highlight the far more consequential and delicate questions surrounding the integration of Russia into the community of industrialized democracies.

The Group of Seven comprises Britain, Canada, France, Germany, Italy, Japan and the United States.

Russia, once one of the most dominant political and military superpowers in history, no longer ranks among the world's economic superpowers under most traditional measurements.

Its economy is barely a tenth the size of that of the United States and a third the size of Japan's.

While Western officials believe Mr. Yeltsin's government has made progress in stabilizing the economy during its rocky transition from communism to capitalism, Moscow remains a recipient of economic assistance rather than a creditor like the other countries attending the Denver meeting.

Consequently, the one time Mr. Yeltsin will be excluded this weekend will be a Saturday session devoted to discussion of international monetary policy, global financial regulation and ways of reducing the risks of economic calamities such as the 1995 peso crisis in Mexico.

"They are not a kind of leading financial power," Mr. Steinberg, the adviser to Mr. Clinton, said of Russia. "When you talk about international financial regulation, for instance, which is one of the things they're going to do, Russia is an object, not a subject," Russia, he added, "doesn't have the competence or the role to make those decisions."

Indeed, Russia's unprecedented role in this summit meeting stems as much from political calculations as economic ones. Although Russian leaders have been attending as guests since 1991, Mr. Clinton managed to get Mr. Yeltsin included as an all-but-full partner during their March meeting in Helsinki, mainly as an inducement to win Moscow's acquiescence to NATO expansion.

That decision underscores the evolution of the Group of Seven since its inception in 1975 as a purely economic event, first with six countries before Canada was quickly added.

These days, economics is often overshadowed at these meetings by other topics. While the leaders plan to talk this year about opening new trade routes with Africa, they also intend to explore ways of combating international crime, drugs, terrorism, environmental decay, arms proliferation and the spread of diseases. The opening day Friday featured a discussion about the ongoing peacekeeping mission in Bosnia, while the final day Sunday is scheduled to include consultations on issues from the broken-down Middle East peace process to the impending transfer of Hong Kong to China.

"The summits over the years have become a lot more about the political," said Daniel Tarullo, the top international economic adviser at the White House. If nothing else, he added, including Russia in the summit meeting helps anchor it in the democratic community. "To give them the opportunity to pursue their own interests with us is to build a much more stable relationship in the long term," he said.

One of the items on the table in Denver will be finding ways to incorporate Russia into other international organizations, such as the Paris Club of creditor nations and the World Trade Organization.

Western leaders have made it clear that Russia has a place with the Group of Seven beyond this weekend. Britain has signaled that it will follow a similar policy of inclusion when it is host of the summit meeting in Birmingham next year.

## SENTENCE: Prison Terms for 3 Vandals

Continued from Page 1

Perhaps this is one of those types of cases that have to be tried every generation to remind high school kids and others that vandalism has consequences.

The assistant public defender, Joseph Registrato, whose office represented Mr. Cole, said: "This is what the public wants. But the ramifications go far beyond what anyone thought. When the families of the victims come forward, you know you have gone overboard."

In a letter to Judge Mitchum, the mother, grandfather and aunt of 13-year-

old Randall White, who was killed in the crash, said they "cannot sit back while three more young people's lives are taken from them."

The letter said that the Whites were shocked when the three defendants were charged with manslaughter and shocked again at the guilty verdict.

But the families of the two other boys — Kevin Farr and Brian Hernandez, both 18 — applauded the convictions. Brian's father, Mike Hernandez, when asked about the severity of the punishment, said: "What's fair? Nothing's fair because nothing will bring back Brian's life."

## TURKEY: Centrist Gets Another Chance

Continued from Page 1

result of his attendance at a German-language high school in Istanbul. Earlier this year he visited Bonn and renewed his long-standing friendship with Chancellor Helmut Kohl.

Mr. Yilmaz was prime minister for six months in 1991, and after the most recent election in 1995 he took the office again at the head of a secularist coalition with Mrs. Ciller. Her political platform is almost identical to his own, but the two

proved unable to work together. Their coalition fell apart after Mr. Yilmaz insisted she accept a judicial investigation into corruption charges against her.

## Turkish Units Leave Iraq

Turkey has withdrawn more units from northern Iraq, where it is warring against a cross-border operation against Kurdish rebels, Reuters reported from Ankara, quoting the Anatolian news agency.

## CIA Suspect Said To Admit Killings

Washington Post Service

WASHINGTON — As he was being flown back to the United States after his capture in Pakistan, Mir Aimal Kansi voluntarily signed a statement admitting that he opened fire with an assault rifle in 1993 outside CIA headquarters in Langley, Virginia, killing two employees of the spy agency and wounding three other people, sources familiar with the investigation have said.

Mr. Kansi told federal agents on the plane that his motive was his dismay over something done to his family in Pakistan by the U.S. government, the sources said Thursday. "They declined to be specific."

Mr. Kansi said he "felt like he did the right thing" by shooting at motorists outside the CIA, the sources said.

Mr. Kansi, 33, was advised of his legal rights, the sources continued, and was told he could have a lawyer present before making a statement.

It was not clear why Mr. Kansi may think the U.S. government harmed his family. The CIA has denied that any of Mr. Kansi's relatives were connected to the agency.

## SMOKING: Tobacco Firms Sign Deal

Continued from Page 1

this agreement represents the best means of protecting the nation's public health interests," he said.

The deal, worked out during hard-fought talks between the industry, state attorneys general and public health representatives marked a milestone in the decades-long battle over smoking and health in America.

Responding to growing public sentiment against smoking, tobacco makers acceded to federal regulation and to sweeping limits on cigarette marketing to avoid potentially devastating legal liabilities.

The deal was struck after negotiators agreed on two final sticking points: that the tobacco industry need not apologize for past misconduct, and how much the tobacco companies must disclose of their most-secret documents.

On another hard-fought issue, the Food and Drug Administration will regulate the nicotine in tobacco as a drug and could decide to ban nicotine after 2009.

Sick smokers could no longer sue tobacco companies seeking punitive damages for past industry misconduct, but they could sue to recover actual damages, such as medical bills. And smokers could still sue for and collect

both actual and punitive damages for any future industry wrongdoing.

Instead of paying individual smokers punitive damages, the industry would pay billions as "punishment" for past misconduct — money that will finance health care for uninsured children.

The deal would settle 40 state lawsuits that seek to recover Medicaid money spent treating sick smokers and 17 class-action lawsuits against the industry. Individual smokers' lawsuits that are already pending in court are not expected to be affected, unless those people chose to join the settlement.

The deal puts special emphasis on discouraging smoking among young people. It includes tight limits on ads that would appeal to youth, and the tobacco industry would pay fines if smoking among young people failed to drop quickly enough.

The deal sets out goals of reducing youth smoking by 30 percent in five years, 50 percent in seven years and 60 percent in 10 years. States would have to reduce illegal sales to minors by 75 percent in five years and 85 percent in seven years or lose some of the settlement money.

Cigarette prices would rise — perhaps as much as 75 cents a pack. But stock prices were expected to rise, too, as legal threats died. (AP, Reuters)

## EMPIRE: After Hong Kong Becomes an Imperial Memory, Britain Will Be Left With 13 Specks on the Globe

Continued from Page 1

A weighty tome published by the government, "Britain: An Official Handbook," hints only obliquely at the scale of the change now only days away. "Britain's dependent territories," it says, have a combined population of over 6 million, of whom 6 million live in Hong Kong.

In other words, what is left is barely worth counting. The Guardian newspaper in London calls the empire without Hong Kong "the detritus." The Daily Telegraph goes further, simply calling the colony's handover "the end of empire," as if Hong Kong were it.

For the record, what escaped the Telegraph's note is not much: 180,000 people spread over 13 dependencies. They range from Bermuda at the top of both the population and affluence scales, to tiny Pitcairn Island in the South Pacific at the bottom. There, the 50-odd

descendants of the original mutineers from the HMS Bounty scrape by with government subsidies amounting to £3,691 (\$6,090) a year each.

In a debate in Parliament on the future of the 13 dependencies, Lord Waddington conceded that many might regard their existence as "something of an embarrassment," and that some might even wish to "get shot of" them.

As well they might. After all, the 13 have drained the British Treasury of £153 million thus far in the 1990s, and along the way have aroused annual condemnations from the United Nations Decolonization Committee, not to mention more frequent protests from Argentina, in the case of the Falklands, and Spain, in the case of Gibraltar.

Despite the costs, financial and psychological, of even a downscale empire, no one disputes that Britain is trapped with what it has. Even the smug self-satisfaction of many Bermudians, who on

average out-earn Britons by a comfortable margin, still does not allow them to think of casting off from London. In fact, in 1995 they voted, three-to-one, to stay. Ballots in other territories have reached similarly lopsided conclusions in recent years.

For Bermuda, which has grown rich off tourism and is the world's second largest international insurance center, being a colony is no matter. Same with the Cayman Islands (population 35,000), which struck it rich as a taxless banking center and now boasts of being the fifth largest banking center in the world with more than 500 banks. And ditto for the British Virgin Islands, which 200,000 corporations call "home" for legal and tax reasons, 10 times as many fee-paying organizations as there are citizens.

At the other end of the scale, though, are places like St. Helena in the South Atlantic. Corinda Essex, who grew up

there and now represents the territory in London, includes among its drawbacks "the lack of an economy, the total lack of natural resources, its inaccessibility and its high unemployment."

The Falklands Islands, even farther south in the Atlantic, resurfaced historically when Argentina attempted to seize what it calls the Malvinas in April 1982. Ten weeks later, 1,000 people had died, the flag of the Falklands (a Union Jack with a large white sheep superimposed on it) again fluttered over Government House and Britain had rediscovered its colony of 2,200 citizens sprinkled sparingly over 200 islands.

It drew up an economic development plan, backed it with hard cash, and turned the colony into something of a money machine by imposing licensing fees in 1985 on all those fishing in its waters. Now, there is talk of even richer pickings offshore.

"If there is a totally massive oil field

out there as there might be, the royalties could be substantial," said Richard Ralph, the Falkland's governor.

Prosperity has left the lucky few among the 13 increasingly chafing under their present label of dependent territories. "It doesn't really reflect our positions in the global economy of today," said Thomas Russell, a former governor of the Cayman Islands and now chairman of the Dependent Territories Association.

For Britain, on the eve of the descent of empire into cartographers' footnotes, historians offer some consolation. Denis Judd, author of "Empire: The British Imperial Experience," says that even at its supposed peak at the end of the 19th century, anxieties were mounting in high places.

"Policymakers were already worried about the world running out of space and the British Empire out of time," he said.

# Hong Kong This to Dispute With China

Headline in Chinese: 香港前途問題 中英爭論焦點  
The article discusses the political and territorial issues surrounding Hong Kong's return to China in 1997. It mentions the 'one country, two systems' principle and the concerns of the Hong Kong population regarding their future.

Headline in Chinese: 巴基斯坦與印度 核武競賽  
The article reports on the nuclear arms race between Pakistan and India. It mentions that both countries have tested nuclear weapons and the international community's concerns about a potential nuclear conflict in South Asia.

Headline in Chinese: 印度與中國 邊境衝突  
The article covers the border tensions between India and China. It mentions recent clashes along the border and the diplomatic efforts to de-escalate the situation.

Headline in Chinese: 美國與中國 貿易談判  
The article discusses the trade negotiations between the United States and China. It mentions the ongoing discussions on trade agreements and the impact of the trade relationship on both economies.

Headline in Chinese: 印尼與中國 領土爭議  
The article reports on the territorial disputes between Indonesia and China. It mentions the contested areas in the South China Sea and the diplomatic tensions between the two countries.

Headline in Chinese: 英國與中國 香港問題  
The article discusses the Hong Kong issue from a British perspective. It mentions the British government's position on the 'one country, two systems' principle and the concerns of the British community in Hong Kong.

Headline in Chinese: 美國與中國 人權問題  
The article covers the human rights issues between the United States and China. It mentions the ongoing discussions on human rights and the impact of the human rights situation on the trade relationship.

Headline in Chinese: 印度與中國 邊境衝突  
The article reports on the border tensions between India and China. It mentions recent clashes along the border and the diplomatic efforts to de-escalate the situation.



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Thief in Tel Aviv  
Steals Bag, and  
Finds a Bomb

## Hong Kong Tries to Smooth Dispute With Chinese Officer

### Border Feud Is Attributed to Language Differences

Compiled by Our Staff From Dispatches

**HONG KONG** — A clash between one of the future Chinese military commanders in Hong Kong and local customs officials was just a mix-up, the government told parliamentarians Friday.

A political dispute flared after the Chinese deputy commander of the future military garrison in Hong Kong had a run-in last month with border officials.

The commander, Major General Zhou Borong, accused the colonial authorities of insulting him by refusing to allow his car into a closed area at the frontier.

The government told a legislative security panel that miscommunication was to blame for the quarrel.

"Partly, there is the language problem," the deputy security chief, Carrie Yau, told the legislative body that is investigating the affair. "It was the first time the chauffeur had driven past the border, and he did not know the procedures."

Cantonese is spoken in Hong Kong, but Mandarin is the official language on the mainland.

"As for the accusation that Major General Zhou went through the border without a permit, it is not true," the security official said.

The British governor in Hong Kong, Chris Patten, has denied that Chinese troops in Hong Kong get special treatment by being allowed to drive across the border without being inspected.

An advance party of 196 Chinese soldiers is in Hong Kong to set up facilities for the garrison before China takes over the British colony at midnight June 30.

The customs department told the legislative panel that it was withdrawing a list of 29 Chinese military vehicles that it had given to frontier staff after the incident involving the deputy commander. The list was issued to customs officers to avoid further misunderstandings. But lawmakers said the list would

send a wrong signal to border guards that they should not check these vehicles.

Although Hong Kong is to become an autonomous part of China, a border will still exist between the territory and the mainland.

After the handover, however, members of the new garrison will not have to show permits or go through checks by Hong Kong customs, according to a law that will go into effect July 1.

In another development Friday, a news report said that Prime Minister Tony Blair of Britain has requested a private meeting with the president of China, Jiang Zemin, before Hong Kong is handed over to the mainland. The Ming Pao Daily said the request was a sign of improving relations between China and Britain, long strained by disputes over the future of the colony.

The newspaper did not name its source for the report, which said Mr. Blair also wanted to meet with the Chinese prime minister, Li Peng.

Mr. Blair is scheduled to arrive in Hong Kong on the afternoon before the colony is turned over to Chinese rule, and he is due to leave shortly after the midnight transfer ceremony. (Reuters, AP)

### BRIEFLY

#### Pakistan and India Ease Rift

**ISLAMABAD** — Indian and Pakistani diplomats began a new round of peace talks Friday, and a spokesman said they hoped to devise a mechanism for future meetings between the rival neighbors.

The two-hour afternoon session was devoted to "identifying the outstanding issues and devising a mechanism to address these issues in a purposeful manner," a Pakistani aide said.

"The discussions were thorough and result-oriented," he told reporters after the meeting, which was presided over by the Indian Foreign Ministry secretary, Salman Haider, and his Pakistani counterpart, Shamsad Ahmad.

On Thursday, Prime Minister I. K. Gujral of India and the Pakistani prime minister, Nawaz Sharif, spoke for the first time on a hotline set up to help dispel decades of mistrust and conflict. (Reuters)

#### India Vice President Gets Boost

**NEW DELHI** — Vice President K. V. G. Gujral of India and the Pakistani prime minister, Nawaz Sharif, spoke for the first time on a hotline set up to help dispel decades of mistrust and conflict. (Reuters)

The main opposition Bharatiya Janata Party decided to back Mr. Narayanan's candidacy hours after he registered to run for office, flanked by the prime minister and the Congress party's leader in a show of unusual political solidarity.

The ruling United Front and Congress, its ally, agreed Monday to endorse Mr. Narayanan as their joint presidential candidate in the July 14 voting. (Reuters)

#### U.S. Questions North Korean

**SEOUL** — American officials are joining South Koreans in questioning a North Korean defector, the highest-ranking official ever to flee the reclusive, Communist-ruled country, a spokesman for the U.S. military said Friday.

"We can't go into details, but U.S. officials are participating in discussions with Mr. Hwang Jang Yop," said Jim Coles, spokesman for the U.S. forces here.

The statement was the first confirmation that U.S. was interrogating Mr. Hwang, who arrived in Seoul in April after defecting in Beijing.

Mr. Hwang, 74, was a member of North Korea's top decision-making body, an architect of North Korea's guiding philosophy of self-reliance, and he once tutored Kim Jong Il, the current leader. (AP)

#### Indonesians Burn U.S. Flag

**JAKARTA** — Fifteen Indonesian youths burned an American flag in front of the U.S. Embassy on Friday and demanded that Americans be expelled from the Muslim country.

The protesters said Indonesia should close its embassy in Washington and deport Americans because of a resolution by the Congress condemning years of human rights abuses in the former Portuguese colony of East Timor.

The demonstrators moved on to the Foreign Ministry, where the group's leader, Faizal Assagaf, met officials.

Repeated criticism of Indonesia in the American Congress led Jakarta to cancel a jet purchase and pull out of a U.S.-sponsored military training program. (AP)

#### Protest Targets Beijing Over Housing Policy

The Associated Press

**BEIJING** — More than 100 people upset with housing policies held a sit-in Friday outside the high-walled office compound for China's senior Communist Party and government leaders.

Later, the protesters stood outside the heavily guarded gate to Zhongnanhai, a former imperial garden in central Beijing, demanding to see officials in charge of housing policies.

The police did not interfere at first, but after an hour they dragged away at least one man and escorted others onto buses. It was not clear if anyone was formally arrested.

The police also surrounded about 10 reporters from Western and Hong Kong news agencies as soon as they arrived, detaining them for two hours and confiscating videotapes.

Reporters who arrived after the protest was broken up saw about two dozen people aboard a parked bus shouting at the police, as more than 100 uniformed officers and more in civilian clothes patrolled the street.

A police spokesman for Beijing did not return telephone messages seeking comment.

Small-scale protests by workers laid off from what were once lifetime jobs at state-run factories and by city residents angry over poor housing occur almost daily outside Beijing's city government and party offices.

But protests outside Zhongnanhai are rare. None have marred the huge sit-ins held by students in May and June of 1989.

Party leaders had the military crush those Tiananmen Square protests on June 3-4, 1989, in a crackdown that killed hundreds.

#### Crackdown on Drugs

Firing squads executed 15 drug traffickers to cap anti-drug rallies in the southern city of Guangzhou, a newspaper report said. The Associated Press reported.

The convicts were shot Wednesday after anti-drug rallies in three areas of the city, the Yangcheng Wanbao daily reported.

Three of the defendants had been condemned for smuggling a total of 55 kilograms (121 pounds) of heroin, the newspaper said.

#### Timism in the 'Breath Stamp'

The "Breath Stamp" is a new type of stamp that is used to identify the owner of a vehicle. It is a small, rectangular stamp that is placed on the front of the vehicle. The stamp contains the owner's name, address, and the date of the vehicle's inspection. The stamp is used to identify the owner of a vehicle in the event of an accident or other incident. The stamp is also used to identify the owner of a vehicle in the event of a theft. The stamp is a new type of stamp that is used to identify the owner of a vehicle. It is a small, rectangular stamp that is placed on the front of the vehicle. The stamp contains the owner's name, address, and the date of the vehicle's inspection. The stamp is used to identify the owner of a vehicle in the event of an accident or other incident. The stamp is also used to identify the owner of a vehicle in the event of a theft. The stamp is a new type of stamp that is used to identify the owner of a vehicle. It is a small, rectangular stamp that is placed on the front of the vehicle. The stamp contains the owner's name, address, and the date of the vehicle's inspection. The stamp is used to identify the owner of a vehicle in the event of an accident or other incident. The stamp is also used to identify the owner of a vehicle in the event of a theft.

#### NG: Tobacco Firms Sign Deal

The National Green Party (NGP) has announced that it has signed a deal with the tobacco industry. The deal is a landmark agreement that will see the tobacco industry agree to fund a major campaign to reduce smoking. The campaign will be run by the NGP and will aim to reduce the number of people who smoke by 50% by the year 2010. The deal is a landmark agreement that will see the tobacco industry agree to fund a major campaign to reduce smoking. The campaign will be run by the NGP and will aim to reduce the number of people who smoke by 50% by the year 2010.

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هَذَا مِنَ الْأَصْلِ

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Historic district town in the Altmark. Former WGF barracks "Puschkin Park", 90.64 ha, partly built-up, use undecided. Near B 188 and B 189. Northern Sachsen-Anhalt.

**Location Gardelegen**  
Picturesque township in the Altmark. Former airfield, 305.28 ha, 8 buildings, housing construction planned on approx. 10 ha. Directly on B 188. Northern Sachsen-Anhalt.

**DOUBLE PACK A2 692.25 ha**

**Location Halberstadt**  
Old cathedral town (district town) near Harz Mountains. Former WGF barracks Friedrich-List-Str. 435.52 ha, partly built-up, use can be agreed. Convenient traffic links.

**Location Lossa**  
Municipality in spa and health resort region. Former WGF barracks, 256.73 ha, partly built-up, no general development plans. Near B 176. Southern Sachsen-Anhalt.

**TRIPLE PACK A3 276.89 ha**

**Location Wittenberg**  
Luther town and historic district town. Former ARADO barracks, 12.59 ha, partly built-up, housing construction planned. Directly on B 187. Eastern Sachsen-Anhalt.

**Location Kapen**  
Between Oranienbaum and Dessau, the Bauhaus town. Former WGF barracks, 170.83 ha, partly built-up, own rail siding, use undecided. Directly on B 185. Eastern Sachsen-Anhalt.

**Location Klieken**  
Near Roskau in district of Anhalt-Zerbst. Former WGF barracks, 93.47 ha, partly built-up, use undecided, own access to B 187. Eastern Sachsen-Anhalt.

**DOUBLE PACK A4 321.40 ha**

**Location Borstel**  
Near Stendal in the Altmark. Former WGF airfield, 312.00 ha, partly built-up, plans for commercial air use, otherwise undecided. On B 188/189. Northern Sachsen-Anhalt.

**Location Althengrabow**  
In the Jerichower Land district in eastern Sachsen-Anhalt. Former WGF property "Rotes und gelbes Städtchen", 9.40 ha, mostly built-up, use undecided, free for housing use. Near A 2.

**TRIPLE PACK B1 503.20 ha**

**Location Ludwigslust**  
Baroque district town in the south-east of the Land. Former WGF barracks "Teichentin", 70.12 ha, partly built-up, planning includes commercial and industrial use. Near A 24.

**Location Schwerin**  
Historic Land capital and lake town. Former WGF barracks "Schwerin-Görries", 64.48 ha, partly built-up, use undecided. On A 24/241. Western Mecklenburg-Vorpommern.

**Location Pütnitz**  
Municipality in the Baltic sea resort region. Former airfield, 368.60 ha, partly built-up, use undecided. On B 105.

**DOUBLE PACK B2 595.10 ha**

**Location Neustrelitz**  
At the heart of the Mecklenburg Lakeland. Former WGF fuel depot "Fürstensee", 60.50 ha, partly built-up, general development plan in hand. On B 96/198.

**Location Tutow**  
Near the historic district town of Demmin. Former WGF airfield, 534.60 ha, partly built-up, use undecided. On B 110. At the centre of the Land.

**BIG PACK totalling 2,784.76 ha**

The properties in question are WGF properties used by (former Soviet) West Group Forces.

This advertisement is an invitation to submit tenders, preferably for the "Big Pack", alternatively for one or more of the other "Packs". The currently valid tendering conditions are to be found in the property descriptions which can be obtained in German and English from

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For information please contact Mr. Buhr —  
Tel. 0391/545-2711  
Fax 0391/545-1500

**Closing date for the submission of tenders is 31. Aug. 1997.**

No liability whatsoever is accepted for the content and accuracy of the particulars given here.

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Arms for Dictators?

For years, a small band of peace activists pushed the entirely sensible but seemingly hopeless idea that the world should refuse to sell arms to dictators. Now it may be coming to pass. For the first time, a Code of Conduct setting out criteria for determining who can buy American arms has passed in the House of Representatives. The British government has said it will adhere to an even stronger code, and support is growing in the European Union for a code that would apply to all members. Together the United States and the European Union account for 80 percent of the world's arms trade.

The code passed the House on June 10 on a voice vote, with no one speaking in opposition. It has drawn fierce opposition from the administration, which resists anything that ties its hands, and from the aerospace industry. But it has support across the spectrum in the House, where its sponsors are the liberal Cynthia McKinney of Georgia and the conservative Dana Rohrabacher of California.

The widespread support is due in part to the fact that the code is a watered-down version of previous efforts. It would require the president to make an annual list of countries eligible for American arms transfers, using several different tests of democracy and nonaggression. If the administration wanted to sell to a country that does not meet the criteria, it could propose a waiver in the national security interest. Congress would then have eight months to block or condition the administration's request.

It is not, therefore, an automatic ban, but it is likely that the administration would choose to duck many of the battles that selling to egregious violators might produce. The code might also encourage some borderline nations to democratize. About half of all American arms sales now go to countries that could be considered dictators.

Mr. Rohrabacher, who did not hesitate to support arming right-wing dictators when he worked in the Reagan White House, says that with the fall of

communism, selling arms to dictators is no longer necessary.

Indeed, such sales are often dangerous. American weapons have been turned against American soldiers in Somalia, Panama, Haiti and Iraq, to name a few places. Dictatorships are often unstable, and arms sold to the shah of Iran ended up in the hands of Ayatollah Khomeini.

The sales also harm the buyers, who have better things to do with their resources. The former Costa Rican president and 1987 Nobel peace laureate Oscar Arias points out that 18 of the world's poorest countries spend more on their militaries than on education and health combined. Mr. Arias, who has led the effort for the Code of Conduct internationally, would like to see the money once spent on weapons go to demobilize armies instead.

While most governments will not unilaterally renounce modern arms, many would be happy to join a ban that applies to their rivals as well. At a recent conference at the Carter Center in Atlanta, 15 former and current Latin American heads of state joined former Presidents Jimmy Carter and Gerald Ford in endorsing the code.

Agreement by the major weapons-exporting nations is crucial. If the Code of Conduct is multilateral, no one country will be the chump, losing market share to its competitors. Countries denied arms, moreover, will not be able to look elsewhere.

The Code of Conduct still faces obstacles before it becomes law. It must win the agreement of Senate conferees. If it does, it will be an amendment to the State Department's authorization act, which has become a magnet for legal flotsam and could draw a presidential veto.

The code, while very worthwhile, is weaker than it should be and will face constant end runs by the Clinton administration. But the House vote is a remarkable demonstration of the rewards that can come to a dogged movement with few resources but an important idea.

—THE NEW YORK TIMES.

## What Turkey Needs

Turkey's resolutely secular military on Wednesday forced the resignation of that nation's first Islamist prime minister, heightening fears of a coup or further instability in a vital U.S. ally. The political uncertainty reflects continuing tensions between democracy and army mandate, between West and East, between tolerance and fundamentalism in a nation of 61 million Muslims that straddles Europe and Asia. Turkey's friends in the West must sympathize with the generals' fears of a nondemocratic movement coming to power democratically. But the same friends are right to warn that short-circuiting democracy now is likely only to postpone and then exacerbate the problem.

Turkey has been avowedly secular since Mustafa Kemal Ataturk and other young officers seized power in 1923 and began turning the Ottoman Empire into a modern state. Most Turks still revere Ataturk, respect the army and support the policy of secularism: in the December 1995 elections, the Islamist Welfare Party and its leader, Necmettin Erbakan, won only 21 percent of the vote. But no party did better than Welfare in that election, as the secular forces fractured and squabbled among themselves. Many Turks supported Mr. Erbakan, or were not sorry to see him come to power at the head of a coalition, because they were disgusted by the corruption, cronyism and inefficiency of Turkey's longtime ruling parties. And it is also true that more and more Turks chafe under anti-religious proscriptions, such as those that bar

women and girls from wearing head scarves to school.

As prime minister, Mr. Erbakan made overtures to Iran and Libya but did not, or was not allowed by the military, to significantly tilt Turkey's foreign policy away from its alliances with NATO, Israel and the West. Nonetheless, army officers grew increasingly angry at what they saw as Mr. Erbakan's backing for Koranic schools, promoting of fundamentalism and other policies undermining Turkey's secular society.

When the Welfare Party did not back down, military leaders, who have staged three coups since 1960, forced him to resign. Now Turkey's president will designate a different party's leader to seek to form a government.

Turkey is a fast-growing, increasingly diverse country that the military might find considerably harder to manage than after its last coup, in 1980. But other players could help in the fight against fundamentalism.

The West — and particularly the European Union, so quick to criticize Turkey — could be far more generous in integrating it into Europe. Turkey's secular parties could open themselves up and become more democratic, paying attention to the urban poor whom the Welfare Party has better served in local governments. And Turkey's political elite could push much harder for the privatization and other economic reforms that would promote growth and, ultimately, deepen support for the democratic, secular system.

—THE WASHINGTON POST.

## Other Comment

### An Apology Is in Order

Australia's prime minister, John Howard, is under pressure to issue an official apology to 100,000 or so aborigines taken from their parents and placed in white foster homes in an effort to rid them of their "backward" culture. He won't, he says. He is wrong. An apology to the aborigines would serve two purposes.

First, it would soften the sense of grievance of those people who suffered at first hand the effects of an inhumane policy, which ended only in the 1960s.

It would, in other words, perform the same task as an everyday apology offered by one person to another after an admitted mistake.

Second, it would, in a small way, change Australia's sense of itself so that such policies would be less likely to happen in future. Postwar Germany's readiness to express remorse for Nazi wrongs has been an integral part of the evolution of a benign German democracy. Postwar Japan's reluctance to be as subject or explicit remains a stain on the national character.

—THE ECONOMIST (London).

## EDITORIALS/OPINION

# A New Africa Is Generating Success and Hope

By Callisto Madavo and Jean-Louis Sarbib

WASHINGTON — Africa is on the move. From Mali to Uganda to South Africa, hope and real success are transforming the continent.

A new spirit of social and economic progress has energized much of the region. Gradually the rest of the world is beginning to take notice. Africa figures prominently on the Group of Seven's agenda this weekend.

Average GDP growth for sub-Saharan Africa was about 5 percent in 1996, with more than half of the continent's 48 countries growing at rates higher than population growth of 3 percent. African markets are opening, foreign investment is increasing, and economic performance is improving in a wide range of areas. These facts translate into better lives for millions.

Africa's social and economic progress is still fragile; 45 percent of the population still lives on less than \$1 a day. A legacy of social unrest and ethnic rivalry continues to slow development. And effective development in the region will require a hefty \$10 to 20 percent annual GDP growth.

The challenge of poverty eradication is as large as the continent itself. But recent progress provides a platform on which to build a better future.

Despite recent events in Zaire/Congo and Sierra Leone, significant improvement in political stability and the shift to democracy have underpinned social peace in much of Africa, encouraging the participation of civil society in the development process.

and strengthening the legitimacy of governments. Also politically crucial is the new generation of African leaders who are committed, qualified and nonideological. No-nonsense, accountable pragmatism is now the rule.

These political changes have laid a foundation for better economic management. As in other developing regions experiencing impressive growth, the key factor driving economic progress in much of Africa is improved economic policy — liberalizing exchange rates, lowering or eliminating

import and investment barriers, and dismantling price controls.

These policies have, in a relatively short period of time, made Africa an increasingly attractive market to investors. The U.S. president and Congress are considering a new policy to promote trade and investment in sub-Saharan Africa — a strong vote of confidence in the region's future.

Ivory Coast, Ghana, Uganda and South Africa are now moving toward joining Thailand, Malaysia and the Philippines as hot new markets for foreign capital. And in a world economy

in which capital, production and information are highly mobile, in which investors live by diversification and identifying untapped markets, Africa is increasingly referred to as the final frontier of global investment.

We at the World Bank can see clearly the benefits of sound economic policies in Ivory Coast, Uganda and Mali, where exchange rate reforms have improved export competitiveness without significant inflation.

Togo, Lesotho and Uganda have averaged 10 percent growth in the last two years. Policy reforms in the CFA franc zone countries have led to export expansion from negative 3 percent (1991 to 1993) to positive 6.6 percent (1994 to 1996).

Private capital is increasingly flowing to Africa, and seeing healthy returns. Private investment has increased more than 10-fold since the early 1990s, to \$11.7 billion in 1996.

From 1990 to 1994, rates of return on foreign direct investment in Africa averaged between 24 and 30 percent, compared with 16 to 18 percent for all developing countries.

Capital markets are seeing a broader range of investors, greater participation of private sector borrowers, and improved creditworthiness.

This progress is a good sign for many African countries. However, it remains fragile. There is still much to do before the continent secures the

broad-based economic growth that distinguishes the most dynamic parts of the developing world.

Governments must diligently set the pace for change by keeping their economies on a sound footing, improving the banking sector, building roads, water and sanitation facilities, and giving people access to basic health and education services. Africa's strengths must be harnessed in order to address the bottom-line human issues of poverty, illiteracy, unemployment and basic health services, which continue to require dramatic improvement.

The World Bank is working with African governments in these and many other areas, providing technical and financial support.

Our recent Highly Indebted Poor Countries initiative seeks to reduce the financial burden — a primary stumbling block for many African nations, which often spend more on servicing their debt than on providing basic social services. Forgiveness of millions of dollars' worth of debt to countries such as Uganda, which has made good economic reforms and is now seeing the benefits of sound policies, is central to assisting Africa's development.

Africa is on the move. The changes we are witnessing, building foundations for prosperity and welfare, are creating a new sense of hope in the future.

The writers, vice presidents of the World Bank, contributed this comment to the International Herald Tribune.

We can see clearly the benefits of sound economic policies.

## Mexico: Wanted, a Political Revolution to Curb the Crime

By Stephen S. Rosenfeld

MEXICO CITY — The story here is the crime. The State Department warns of street robbers and counsels a super-defensive street style. My hotel warns against the Zócalo park. Practically any Mexican you meet (who does not travel under armed guard) has anecdotal evidence.

A journalist tells of his three armed holdups and one kidnapping — 15 hours in the trunk until his checks were cashed.

Abductions by cabbies working with waiting toughs, sometimes police or ex-police, are a particular menace. Kidnapings are an estimated 1,500 to 2,000 a year.

What causes this crime? I ask President Ernesto Zedillo. It maligns the poor to attribute it to economic conditions, he says, singling out "a relaxation of ethical and legal standards" and "a failure of law enforcement, institutions." But police corruption is declining, he reports; the problem is not "insoluble."

The millions of Mexicans who fell out of the barely middle class in the brutal peso devaluation shakeout of 1994-1995 are suspect as a reservoir of perpetrators. That shakeout surpassed anything that Americans have experienced since the Great Depression.

The official response to the poverty lies in an economic program to restore job-creating growth. The government claims already to have made up the peso-crisis job loss and to be near meeting the goal of adding at least as many jobs (a million) as the number of annual new

entrants into the workforce.

A Yale-trained economist, Mr. Zedillo gives credit for the evident recovery to his tax reforms that enhance investment incentives, and especially to his signature attempt to finance expansion from domestic savings rather than from foreign loans.

Another matter figures in the crime analysis coming from a range of well-placed sources: politics, but of different sorts.

The drug traffic continues to savage police effectiveness. The otherwise laudable purging of a quarter of Mexico City's police has, as one businessman put it, "put 1,200 hardened criminals on the streets."

Politics of another sort, however, is the most painful and elusive consideration at play. The 68-year-old ruling party, the PRI, long ran the cities machine-style, and kept crime, or at least crime that was not bought and paid for by PRI loyalists, within bounds. But the ma-

chines began to weaken, leaving the cities more exposed than ever precisely as American-fed drug demand surged. Unfair.

Ideally, the PRI would have used its decades of uncontested power to shape the institutions of a just and law-abiding society. Instead the party erased the crucial distinction between itself and the state.

Think-tanker Luis Rubio says it like this: It is not that corruption became the unfortunate side effect of the political system; corruption is the system. For loyalty up, the party offered favors paid with government money and privilege.

In short, the weakness of law enforcement that is felt on the streets by the victims of common crime is the other side of the weakness of respect for law that makes multimillionaires out of former Mexican presidents and makes the country's erstwhile highest figures and families suspects in the vilest political and drug-related crimes.

President Zedillo is, in the

universal view, completely clean on the personal level. But he is inevitably touched by the cynicism bred by his party affiliation and by the dark changes that have enveloped his once similarly respected predecessor, Carlos Salinas.

You begin to see how difficult it must be to get citizens to expect responsiveness from, or to extend respect to, the government. By comparison, popular cynicism in the United States is a mere whisper.

You also begin to see that the problem of crime as faced by the average citizen requires much more than the vigorous cleanup, necessary as that is, that outsiders identify with "reform."

The indicated requirement comes closer to a political revolution. It means a change in the ruling party's relationship to the state, and above all the development of institutions and habits that enable citizens to hold their elected representatives accountable for their deeds.

The Washington Post.

## Northern Ireland: The IRA Logic Doesn't Seem to Change

By Anthony Lewis

LONDON — When Irish Republican Army gunmen killed two Ulster policemen on Monday, Prime Minister Tony Blair suspended British contacts with the IRA's political wing, Sinn Féin. "Their cynicism and hypocrisy are sickening," he said. "Their actions defy normal understanding."

Exactly. Anyone who expects the normal logic of political movements to govern IRA behavior does not understand.

The IRA returned to the gun just when things seemed to be moving its way politically. Mr. Blair's new government had resumed talks with Sinn Féin.

Voters in Ireland had opened the way for a new prime minister who was also ready to talk.

The killings undid those political gains. They outraged even some who had voted for Sinn Féin candidates, who called a Dublin radio station to say so. They undermined the credibility of Sinn Féin and its leader, Gerry Adams, in their claim that they wanted a peaceful, negotiated solution.

The IRA's is the logic of an underground army. When it sees a chance to win a skirmish, it takes that chance.

The dominant forces within the IRA evidently still believe that terror will force Britain to abandon the majority Protestants of Northern Ireland. Any in Sinn Féin who really want to take part in a political process do not control policy. So one must conclude.

Another thing has to be said about IRA strategy. It borrows from the debris of Marxism the theory that making things worse in the short run will make them better in the long.

These murders were carried out three weeks before the Prot-

estant Orange marching season comes to a critical test at Drumcree, where the march last year brought terrible violence. The policemen were killed not far from Drumcree. The evident design was to arouse a Protestant backlash and strengthen the determination of Protestant ultras to march through Catholic neighborhoods. That in turn would lead more Catholics to give up hope in peace negotiations and turn to the IRA.

The strategy has a certain political logic to it. But recent decades have shown that terror will not move Britain to turn its back on Northern Ireland.

Britain bears a heavy responsibility in history for its policies toward Ireland. It invaded the country over the centuries, suppressed its people and colonized the North. But the Protestants of Northern Ireland are a reality today that cannot be wished away. No imaginable Irish government would want to absorb them against their will.

The only way to the normal life that practically everyone in the North wants is by negotiation. But there is any point in negotiation after the IRA outrage? I put the question to former U.S. Senator George Mitchell, who for two and a half frus-

trating years has presided over talks intended to bring about a new constitutional settlement. I reached him in London, on his way to a resumption of the talks in Belfast on Tuesday.

"You just can't give way to despair," he said. "The timing of this attack was particularly egregious, but even with this I don't believe it's hopeless."

Two things have to happen. First, the marching season has to pass without serious incident. Second, in our talks we have to end the procedural wrangling and get to substance. Both are difficult, but not impossible.

"People obviously have deep differences, even hatred — but they don't want to go back to violence."

Mr. Mitchell's first point, getting past the marching season, will require unusual restraint on the part of Orange Protestant groups. The marches, for many, make a primal statement: The land on which we march is ours.

The hope has to be that the parties now in the talks will make enough progress to draw in the IRA. The price of its admission would be a genuine suspension of violence: a chance for the habit of peace to grow.

The New York Times.

## Imperial Rites, Then and Now

By Philip Bowring

HONG KONG — The eyes of the world are on Hong Kong in these last days of British rule. But Queen Elizabeth II is heading for Canada for celebrations of a less final but equally symbolic sort.

The number 97 has been a defining year in the birth and prime of empire. The Queen of Canada is due in St. John's, Newfoundland, to commemorate the arrival 500 years ago of Giovanni Caboto, better known as John Cabot.

On June 24, 1497, the feast of John the Baptist, Cabot, a Venetian in the service of King Henry VII, staked the first English claim outside Europe. Empire had begun.

Ironically, for many years settlement of Cabot's New Found Land was inhibited by the English, whose fishermen wanted to keep their rich Grand Banks fishing grounds to themselves.

Those grounds are now the location of the Terra Nova oil field being developed by a consortium which includes Husky Ltd., owned by Hong Kong's leading property developer, Li Ka-shing.

Newfoundland only joined Canada after World War II. With its deep English and Irish roots, it seems half a world away from Hong Kong migrants' preferred destination, Vancouver, chunks of which are also owned by Mr. Li.

But a million people from Britain's first and last colonies, separated by half a globe, are united by an imperial legacy: Canadian citizenship.

Despite Cabot, the first English permanent settlement in the Americas came a few years before the nascent empire acquired an Asian outpost. English traders claimed Pulau Run in 1603, or 237 years before they got Hong Kong.

The people of that square mile of precious nutmeg trees preferred the English devils to their Dutch rivals. The writ of King James I did not actually run in Run, but he was proud of his spice-rich island, a 17th century Kuwait. Some thought it more valuable than James's native Scotland.

Run is part of Indonesia's Banda Archipelago, south of the Moluccas. In 1667, the British traded Run for territory which included an island that deserved Prime Minister Lord Palmerston's later description of Hong Kong: "A barren rock with nary a house upon it." The island: Manhattan.

In 1797, a Scottish doctor named Mungo Park, who had braved the fevers of West Africa, published his "Travels in the interior districts of Africa." This was to generate a fever for exploration and ultimately the unseemly European scramble for Africa.

Fast forward to 1897 and Queen Victoria's diamond jubilee. If a single month represented the apogee of empire, it was that June. Tens of millions on all continents celebrated, willingly or not, her 60 years on the throne of an ever expanding empire.

Events included a parade of 170 ships, the biggest flotilla assembled before the Normandy landings. Two countries from a just emerging Asia were among the 14 foreign navies represented. From Japan came the Fuji, and from Siam the Mahachakri, flag vessel of the still reigning Thai dynasty of that name.

St. John's celebrated by constructing Cabot Tower, where, four years later, the radio pioneer Marconi was to receive the first trans-Atlantic Morse message.

Hong Kong, like most imperial outposts, marked the jubilee by erecting a statue to the great queen. A century later it still stands in Victoria Park. There, on June 4, 55,000 Chinese commemorated the Tiananmen massacre of 1989. Whether they will be able to do so next year when imperial protection, and perhaps the statue, are gone remains to be seen.

One thing is sure, whether in Hong Kong or St. John's. By 2097, only the ghost of empire and a few of the hardest statues will remain.

International Herald Tribune.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: Queen's Fête

LONDON — Yesterday (June 20) was really the opening day of the Queen's Jubilee celebrations. It was Accession Day, and the event was observed in most places of worship as a day of general thanksgiving. London is now in a state of positive excitement. People are completely absorbed in the event. The prevailing spirit may be described as a combination of intense loyalty and candid self-congratulation on the greatness of the nation. No dynasty can ever have had a more complete demonstration of the universal attachment of a people. There is not anywhere a discordant note.

### 1947: Better Radar

PARIS — A new radar warning device to keep planes from crashing into mountains or other obstacles during bad weather will soon be installed on all Trans World Airline aircraft, the company announced in Paris yesterday (June 20). Weighing only sixteen pounds, the device is mounted on the pilot's dashboard and flashes a warning signal whenever an obstacle is getting too close. The new equipment is expected to help greatly in eliminating accidents caused by poor visibility.

### 1922: Lenin Failing

LONDON — Reports from authoritative sources at Moscow state that short of a miracle Lenin's political career is over. He may recover his health suffi-

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# Riches and Penury in Manuscript Market

**L**ONDON — The auction felt like an unofficial farewell party. As George Bailey brought down his hammer on the last of the manuscripts from "The Beck Collection," sold at Sotheby's for a total of more than £11 million (\$18 million), many professionals thought that they might never witness another such event.

The auction market for Western illuminated manuscripts has been dramatically contracting in the past few years, not for lack of enthusiasm, but because supplies have dwindled to a trickle. Christie's has long given up on holding specialized sales and at Sotheby's, helped by the presence on its roll call of the Oxford-educated medievalist Christopher de Hamel, sales since 1993 have exceeded the \$2 million mark only once.

Dealers here have become the real force. In recent years, Herbert Tenschert of Basel has

**SOURIN MELIKIAN**

been producing catalogues that leave behind those of any auction house, whether in terms of magnificence of the items or of the scholarly research carried out by the German art historian Eberhard König.

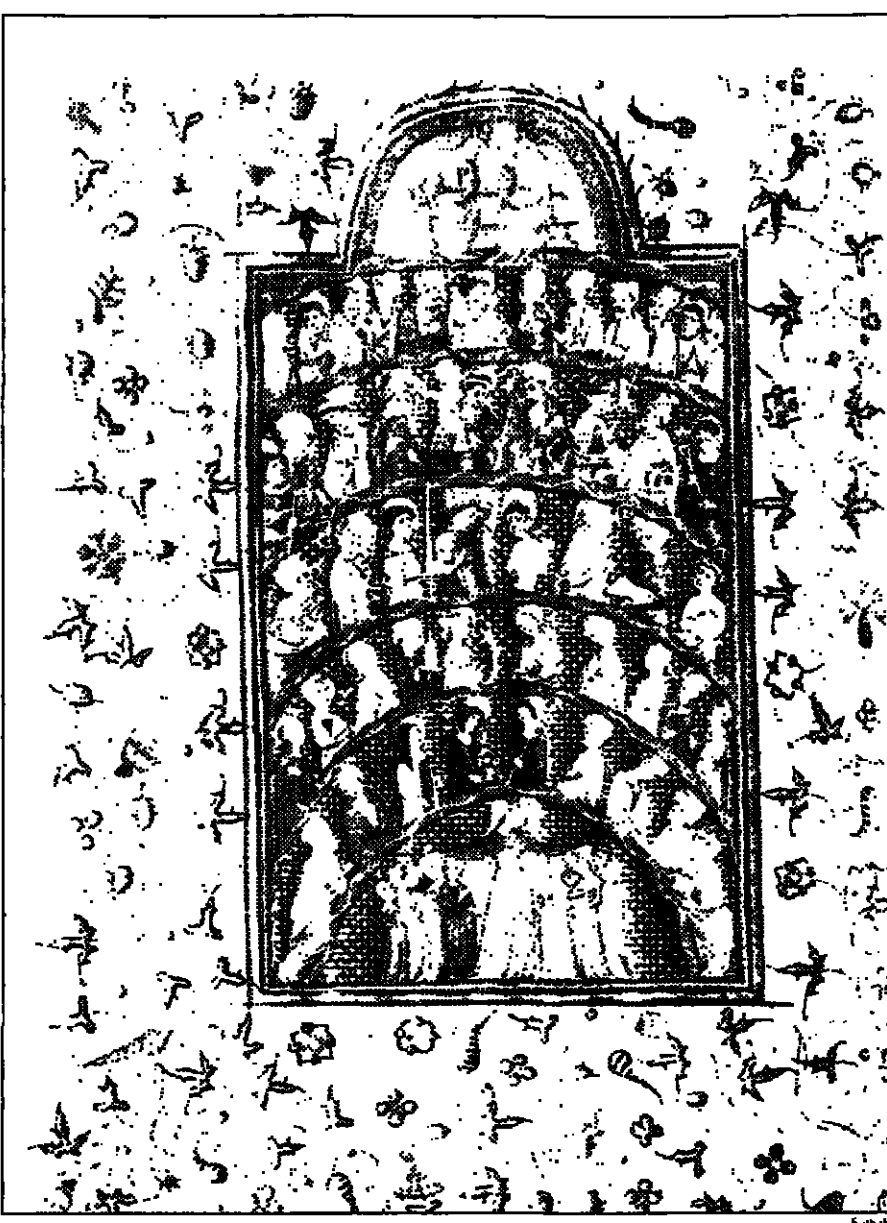
This week, the growing penury boosted Sotheby's auction. Had "The Beck Collection" been sold in earlier times, it might not have made much of an impression. Its 25 Western manuscripts, plus sundry items, were not nearly as dazzling as Sotheby's suggested. The collector Helmut Beck of Stuttgart appears to have tackled his subject from the angle of cultural history, artistic achievement being only part of the equation.

It takes a historian's turn of mind to respond to the fascination of four leaves torn away from an eighth-century lectionary from Merovingian France. Copied in the script known as "Lixeuil minuscule," the leaves reproduce parts of the Latin version of Isaiah and Daniel. Only one other leaf, from a manuscript in Luxeuil minuscule, appears to remain in private hands. That helped Beck's four leaves climb to £73,000.

The same cultural interest multiplied twentyfold sent a ninth-century Gospel copied in Lorraine, perhaps in Metz, shooting up to a staggering £1.1 million. De Hamel boldly opined that it might have belonged to Queen Theutberga, the spouse of King Lothair II. Superbly preserved, the Gospel has virtually no decoration other than the Canon tables calligraphed under arches. These gave the impression of being some tongue-in-cheek homage to Roman Antiquity.

In one arcade, three athletes in the nude and a fourth character seated cross-legged in the Middle Eastern fashion — an unusual occurrence in Carolingian book painting — lean against the pillars. At the top, the capitals are designed like human heads with three faces, one looking full front, the others sideways. Other arcades display equally strange features — most of which have yet to be explained.

As the sale switched from historical curiosity to manuscript painting, tension rose. It started with a German psalter from early 13th-century Saxony that tempted de Hamel to embark on



Fifteenth-century Book of Hours from the southern Netherlands (Tournai).

another speculative trip. The psalter was made, he wrote "probably for one of the sons of Henry the Lion." The medievalist then stated that Mechthild of Brunswick, one of Henry's granddaughters, "almost certainly owned the manuscript, for at about the time of her marriage to Heinrich II of Anhalt in 1245, she had the historiated initial on folio [r]eferred to here copied into a second Psalter commissioned by her."

But what if it was just the artist or a disciple repeating the initial because they felt pleased with it? Uninhibited by such petty objections, bidders ran up the manuscript, now reduced to less than a quarter of its original folios, with only two full page miniatures, to a phenomenal £1.87 million.

Yet even that price was outshone by a German psalter of the 13th century. Associated in the past with Saint Blasien, the volume was illuminated somewhere around Lake Constance

in the 1230s or 1240s. Almost complete, it retains 37 large miniatures and 166 smaller images. Connoisseurs went berserk. Reluctantly, Tenschert conceded defeat to a telephone bidder at £2.5 million.

Such a figure suggests a new buyer with immense wealth going for the finest of the finest if one is to judge from his other acquisitions, the impeccably preserved ninth-century Gospel and the psalter so boldly associated by Sotheby's with Queen Mechthild. These point to a taste for early German manuscripts.

Another anonymous buyer went after top-notch illuminated manuscripts from the later Gothic period. Also bidding over the telephone, he bought a beautiful Dutch Book of Hours illuminated in the 1420s with 17 full-page miniatures and 33 large initials enclosing formal ornament, plus another framing the image of the Virgin and Child. At £1 million, it became the most expensive Dutch manuscript ever.

A second Book of Hours, which retains its contemporary Tournai binding signed by Jacques Poulle, cost the same buyer £419,500. He rounded it off with a third Book of Hours, this time illuminated in Florence around 1465-1475, bought for £881,500.

**T**HESE new buyers are probably the last who will be able to operate in the field. At auction, the end of the market is already in sight — give it another decade, two at the most. As always in such cases, prices for the top layer rise at an accelerating pace. The fragmentary psalter sold this week for £1.87 million had cost the late Hans Kraus, the famous German-born New York dealer, £18,000 in 1969 at Sotheby's, and the £1 million Dutch Book of Hours was likewise acquired by Kraus for £18,000 in 1970.

But the rise will not be sufficient to offset the decreasing number of transactions and, eventually, auction houses will find their Western manuscript departments too costly for a decreasing turnover. At that point, the ever-shrinking market will be in the hands of two or three connoisseur-dealers. For them, handling rarities, one or two at a time, is not unthinkable. Tenschert has just brought out a ground-breaking book, "Boccaccio and Petrarca in Paris," in which König focuses on the rediscovered manuscript of the French translation of Boccaccio's "De casibus virorum illustrium" illuminated around 1470. Last seen at Sotheby's in 1929, the volume was shown of three miniatures shortly afterward. It is now complete once again with its 88 illustrations. Tenschert having traced and bought the missing three, one by one, in the Netherlands, Israel and the United States.

In a short addendum, König describes the first complete manuscript that can be safely given to Jean Coene IV, a Paris painter of Flemish stock hitherto known as the Maître des Entrées de France. A full signature in the margin of an illustration to a missal spotted by Tenschert and authenticated by König has solved the riddle of the Maître des Entrées de France. Even as it performs its vanishing act, the market still allows some astonishing revelations.



Chilling exhibit: Ku Klux Klan robe in New York show.

## Good and Evil After Civil War

By Dinitia Smith  
New York Times Service

**N**EW YORK — In September 1865, during the Reconstruction period, John Dennett, a correspondent for The Nation, encountered a black man, newly freed from slavery in the town of Concord, North Carolina. Exhausted, his body hurting, the man said he had walked 600 miles from a plantation in Georgia searching for his wife and children, who had been taken from him when they were sold.

Of all the social forces unleashed by Reconstruction, nothing was more powerful than the former slaves' desperate efforts to find their lost families, and their rush to marry the partners they had been forbidden to marry under slavery.

The mention of John Dennett's encounter with the wandering black man — neither his name nor whether he ever found his family is known — is an enduring moment in "America's Reconstruction: People and Politics After the Civil War," an exhibition at the Schomburg Center for Research in Black Culture that will run through October.

The show was organized by Eric Foner, De Witt Clinton Professor of History at Columbia University, and Olivia Mahoney, curator of industrial and decorative arts at the Chicago Historical Society. It was commissioned by two Southern institutions, the Valentine Museum in Richmond and the Virginia Historical Society.

The Schomburg exhibition is the first major museum show to be devoted to Reconstruction, it challenges popular conceptions about the era, above all that it was a period of corrupt carpetbaggers from the North and "scalawags," their Southern allies, victimizing ignorant, childlike former slaves.

The show argues that blacks were actors in their own fate. It demonstrates how the freed slaves pressed their rights and helped create a new society, building in part on institutions that had existed in black communities even before the end of slavery.

Rather than being a period of chaos and corruption, the show argues, Reconstruction set the agenda for modern democracy with the passage of the 14th Amendment, which mandates equal rights for all citizens, and the 15th Amendment, which forbids a state to deny the right to vote because of race. Out of Reconstruction, too, came the first statewide public school systems in the South, the founding of black institutions of higher learning and the black church in its modern form.

"The carpetbaggers were not all corrupt, and the blacks were not all victims," Foner said recently in his office at Columbia University. Foner, 54, is the author of a ground-breaking text, "Reconstruction," published in 1988.

**P**ERHAPS no other period of American history has been as misunderstood as Reconstruction. In a 1988 poll by the National Assessment Governing Board, a federally financed education panel, high school students knew less about it than any other significant topic in American history, and Foner believes that little has changed.

Until recently, the popular notion of Reconstruction was formed through movies, primarily "Birth of a Nation" and "Gone With the Wind." But the Schomburg show — about 250 objects, including an actual carpetbag, the suitcase of woven wool favored by Northerners, along with rare photographs, mementos and artifacts — represents a search for new images to tell the story of the era.

"Most people think Reconstruction begins immediately after the Civil War," Foner said. "But it really began in the middle of the Civil War." On exhibit at the Schomburg are tins of some of the 200,000 black men who served with Union forces. It was their service in the war that staked out blacks' claim to citizenship.

As Southern states fell, the Union was confronted with the problem of what to do with the freed slaves. Northerners began going south, some to cash in on the cotton crop, some to help the former slaves.

In 1865, the South capitulated. A lithograph depicting the burning of the Confederate capital at Richmond, with flames shooting hundreds of feet into the sky, captures the extent of the defeat. "A quarter million Confederate whites died," Foner said. "It was a disaster without parallel in the American experience."

**I**N the aftermath, a cult of mourning developed. Among the exhibits are a white Southern woman's mourning dress, her special mourning jewelry. Mourning became ritualized, with stages of grief lasting 2 1/2 years.

At the same time, the myth of the Lost Cause sprang up in reaction to the profound disruptions faced by white Southerners in the post-Civil War era. On show is a wood carving from 1875 in Tennessee of General Robert E. Lee and the crucified Christ side by side. Romanticized images like this crucified Christ side by side, the Democratic Party's ascendancy in the South, helped fuel the Democratic Party's ascendancy in the South.

At the war's end, freed slaves immediately set to work creating a community. Foner emphasized that even before the war, freed blacks had established a network of institutions, churches, schools and mutual benefit societies. Slaves, too, had created networks of secret churches and families. These institutions provide the basis for a new black sense of community.

As blacks gained the vote, the Democratic Party's resistance to change stiffened, anesthetized by the visual iconography of Democratic party protests and political pamphlets, including one titled "The Black Vomit," a broadside issued in Virginia in 1870. The Democrats turned to violence to overthrow the state governments. The most chilling object in the show is a Ku Klux Klan robe, brown rather than the more familiar white of a later period. "We didn't want to create a shrine to the Klan," said Mahoney, the co-curator of the exhibit, "but it was important to include it."

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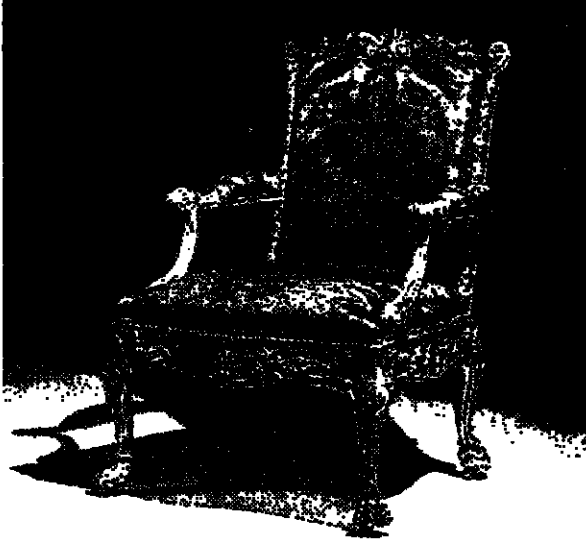
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THE WORLD'S DAILY NEWSPAPER

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Privatization Policy Re

PARIS — The French government is set to announce a new privatization policy, which will allow the state to sell shares in public companies more easily than in the past. The policy is part of a broader effort to reduce the state's role in the economy and to attract private investment. The government has already sold shares in several major companies, including Air France and the French postal service. The new policy is expected to be announced in the coming weeks.

for World Cup, a Billion

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Spanish Peseta	163.50
Portuguese Escudo	163.50
Greek Drachma	163.50
Israeli Sheqel	163.50
South African Rand	163.50
South Korean Won	163.50
Chinese Yuan	163.50
Indian Rupee	163.50
Pakistani Rupee	163.50
Bangladeshi Taka	163.50
Sri Lankan Rupee	163.50
Nepalese Rupee	163.50
Burmese Kyat	163.50
Thai Baht	163.50
Singapore Dollar	163.50
Malaysian Ringgit	163.50
Indonesian Rupiah	163.50
Philippine Peso	163.50
Vietnamese Dong	163.50
Laotian Kip	163.50
Cambodian Riel	163.50
Myanmar Kyat	163.50
Siamese Baht	163.50
Thai Baht	163.50
Singapore Dollar	163.50
Malaysian Ringgit	163.50
Indonesian Rupiah	163.50
Philippine Peso	163.50
Vietnamese Dong	163.50
Laotian Kip	163.50
Cambodian Riel	163.50
Myanmar Kyat	163.50
Siamese Baht	163.50

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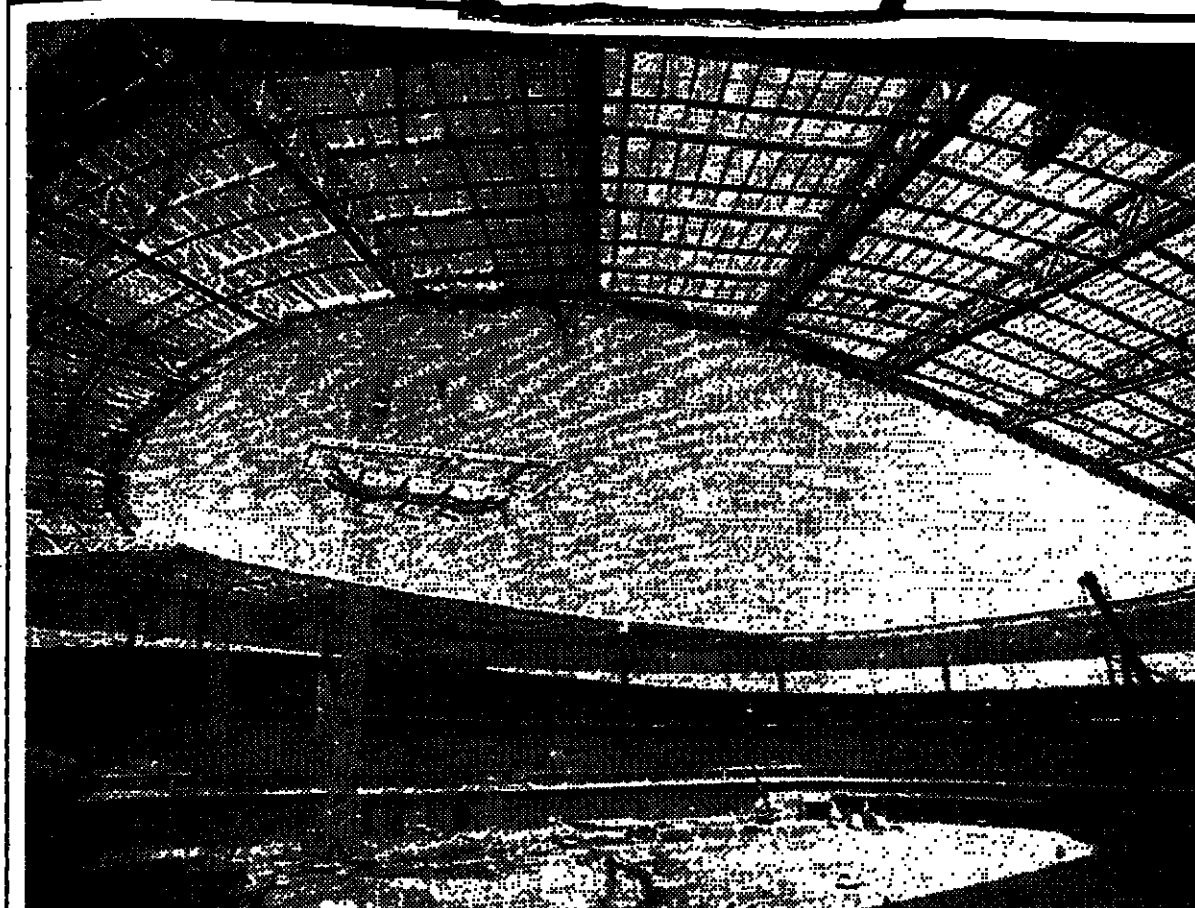


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SATURDAY-SUNDAY, JUNE 21-22, 1997

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A crane raising a concrete roof section for the vast stadium at St. Denis in preparation for the World Cup.

## In France, a Time for Decisions Privatization Policy Remains Uncertain

By Joseph Fitchett  
International Herald Tribune

PARIS — "If I could only do one thing, I'd privatize France Telecom tomorrow because every day it stays in government hands it loses a little bit of competitive value and a little bit of its chances to become a long-term global winner for France," the French Socialist said.

The speaker was Jacques Delors, the man expected at the time — November 1994 — to bring the Socialists back to power by winning the French presidency six months later.

Mr. Delors, fresh from eight years of international exposure as president of the European Commission, was convinced that privatization of high-tech companies was vital to France's chances of success in increasingly intense global competition.

Mr. Delors withdrew from the presidential race before that view could be tested on French voters.

But now, following this month's Socialist election victory, France Telecom's future has emerged as a test case for Prime Minister Lionel Jospin's new government as it tries to adjust its campaign platform — opposing privatization, including a planned public offering of France Telecom shares — to the demands of

modernizing the French economy. "If the new government can't find a way at least to partially privatize France Telecom, which is the best source of revenue out there, then there's little hope of rational decisions about the other critical state-owned sectors," an influential Socialist industrialist said.

### ECONOMIC SCENE

Friday, a day after Mr. Jospin's first major policy speech on the issue. However, privatization — probably the most critical question about France's economic outlook — was the issue on which Mr. Jospin left the country in limbo.

Financial markets on Friday seemed to interpret his cautious approach as a sign that the government may be looking for some wiggle-room in which to proceed with privatization. One Socialist industrialist said that "the longer the government puts off taking a position, the better the chances that it can distance itself in practice from its own doctrine."

A hint of how the government might proceed with France Telecom, whose partial privatization had been scheduled to start this month by the previous government, came Friday when a government minister told the magazine Le Nouvel Observateur that "there would

be no objection to selling some shares to the company's employees."

But Claude Allegre, the minister of research and a close confidant of Mr. Jospin, denied that the government had a broader appetite for privatizations. He recalled that when a Socialist government decided to hivel off France Telecom from the French post office in 1991, Mr. Jospin, a cabinet minister, publicly opposed the move.

Mr. Allegre dismissed a suggestion that privatization in France spawned entrepreneurship, saying that "most of the top French businessmen are bureaucrats who got control of nationalized companies that were then privatized."

But most observers believe that Mr. Jospin cannot afford to wait long.

Selling off state-owned companies would bring in revenue to ease the nation's debt load. More importantly, the companies — including France Telecom and Air France, Airbus Industrie and Thomson-CSF, the defense-electronics giant — need to go into private hands before their main international competitors will seal strategic alliances with them.

A common feature of these four major enterprises is the case of Airbus, Europe's biggest single in-

See PLAN, Page 12

## For World Cup, a Billion-Dollar Stadium

By Anne Swardson  
Washington Post Service

PARIS — In an industrial district just to the north of Paris, huge cranes lift into place the last 345-ton section of the curved roof of a new stadium.

In the countryside to the south, a field of turf is sprouting for transfer to the stadium. All over France, other stadiums are being renovated, tickets are being printed and volunteers are being recruited.

A year before kickoff, France is preparing for the largest World Cup soccer tournament ever. And it is not going to be cheap.

The world's most popular sporting event will start next June 10 and last until July 12. In 1998, the competition will consist of 32 teams, up from the 24 of the last four World Cups.

That means more games, more tickets, more visitors, more transportation, more hotels, more planning and, of course, more money.

"We have entered the operational phase," said Michel Platini, the former French soccer star who is now president of the French Organizing Committee.

The total cost of the 1998 World Cup is budgeted at \$1.4 billion.

The 1994 World Cup in the United States, by contrast, cost about \$370 million. The figures are not strictly comparable, however, because so much of the French expenditure is tied up in the construction of an 80,000-seat stadium in the suburb of Saint-Denis.

Outfitted with 148 skyboxes, 670 toilets, three restaurants, an auditorium, 6,000 parking places and its own shopping mall, the Stade de France, as it has been named, will cost nearly \$1 billion.

In a centuries-long French tradition, taxpayers will cover much of that. The central government is paying half the roughly \$1 billion in construction costs, and regional and local govern-

ments are kicking in an additional \$240 million.

The three-company consortium that is building the stadium will pay another \$240 million.

In the 1994 World Cup, the U.S. government outlay was a total of \$14 million.

The idea is that the expenses for the stadium will be offset by future revenue. In 1993, when the stadium was conceived, government officials assumed it would become the home of a professional team.

But Paris-St. Germain, the only soccer team from the area in the top French division, wants to continue playing at Parc des Princes to the west of Paris.

At this point, the stadium's owners are talking to a local team named St. Denis-St. Leu. There is a problem in this, however. It is a third-division team that attracts but a few thousand spectators to its games.

See GAMBLE, Page 12

## Bonn Takes Aim at Tax Breaks Industry Objects to Waigel's Latest Budget Proposal

By John Schmid  
International Herald Tribune

FRANKFURT — Ignoring pleas from industry, the German Parliament's finance committee on Friday stepped toward resolving the budget crisis by proposing to scrap tax breaks for German companies next year as part of the government's tax-reform plans.

Finance Minister Theo Waigel is counting on more than 4 billion Deutsche marks (\$2.31 billion) in supplementary tax income next year from the plan, funds that are desperately needed to rescue Bonn's bid to join Europe's single currency in 1999 and ease strains among parties within the government of Chancellor Helmut Kohl.

After Mr. Waigel unleashed a firestorm of criticism with other unsuccessful attempts to patch Bonn's deficits, he is now seeking a heavier business tax load as part of a broad package of unconventional budget measures that include selling oil from emergency stockpiles, sales of the government's stake in the national phone company, and another round of budget cuts from ministries.

Significantly, his plans do not include actual tax increases, at least for now. The Free Democratic Party, Mr. Kohl's junior coalition partner, has threatened

to leave the government if Mr. Waigel raises taxes.

But Mr. Waigel still faces an uphill battle in pushing through his reforms.

Mr. Waigel, who canceled his trip to Denver this weekend for the summit meeting of the world's biggest industrial powers, stayed in Bonn to continue consultations to win support for his latest measures. The search for cash already has put Mr. Kohl on a collision course with the powerful German central bank, which blocked him from repricing the nation's gold reserves as a way to raise money.

The budget crisis, which has brought the government closer to collapse than any other time in its 14-year history, comes as Mr. Kohl's popularity has slipped in the polls. Mr. Kohl now trails the leading challenger from the opposition Social Democratic Party, Gerhard Schröder, by a 2-to-1 margin, according to a monthly survey by the Electoral Research Group. Only 30 percent of voters supported Mr. Kohl, down from 42 percent in May, the poll found.

The government has until July 11 to agree on a comprehensive package to fill an estimated 27 billion DM hole this year and a 32 billion DM gap forecast for next year.

Criticism of Mr. Waigel's budget management continued on Friday.

The Federation of German Industry, the nation's premier business lobby, lashed out at the latest plans to add to the already burdensome tax load carried by German business. The federation accused Mr. Waigel of threatening German jobs, particularly for small and medium-sized business that cannot afford a tax increase. In particular, the federation criticized Mr. Waigel's plans to diminish tax write-offs at loss-making companies.

The Berlin-based German Institute for Economic Research objected to another of Mr. Waigel's "accounting tricks," a revaluation of German dollar reserves. Heiner Flassbeck, chief economist at the institute, charged Bonn with conducting "a currency and economic policy bordering on the limits of respectability."

There is no guarantee that the European Union will recognize windfall profits from the revaluation as a way to reduce the deficit when it chooses which countries qualify for currency union, since this breached the principle of sustainability, Mr. Flassbeck said.

Rolf Peffekoven, a government economic adviser, said there was little chance the plans for the dollar reserves would improve Bonn's financial crisis. "We need lasting and solid finances and this has not been achieved through this," he said in a television interview.

## New Thai Finance Chief Steps In

Compiled by Our Staff From Bangkok

BANGKOK — Thanong Bidaya, 49, president of Thai Military Bank Ltd. for the past five years, became on Friday Thailand's sixth finance minister in two years.

The stock market seemed to welcome the appointment, but analysts warned that Mr. Thanong, a little-known executive from a medium-sized bank, might have trouble winning market confidence as he takes the reins of an economy at its weakest point in more than a decade.

The benchmark Stock Exchange of Thailand index rose 3 percent on Friday, to 480.25, its first gain in nine days. The index is down 42 percent this year.

The baht weakened further, however, as the dollar rose to 25.00 baht in late Asian trading on Friday from 23.50 baht on Thursday.

Mr. Thanong said he would follow many of the directives set by his predecessor, including a yet-to-be-announced package geared to promote mergers among many of the country's ailing finance companies, which have been crippled by loan defaults, a share market collapse and the slowest economic growth since 1986.

Mr. Thanong declined to comment on his intended policy for the Thai currency, which has been the target of attacks in the foreign-exchange market for the past several months. Last month the government imposed "temporary" capital controls to fend off devaluation.

Mr. Thanong's appointment was made official when King Bhumibol Adulyadej signed the nomination submitted by the prime minister. His predecessor, Amnuay Viravan, resigned

Thursday after a stormy seven-month tenure. Narongchai Akrasanee, who resigned Thursday along with his mentor Mr. Amnuay, was reappointed commerce minister on Friday.

Thailand's government is a fragile six-party coalition. Mr. Thanong, Mr. Narongchai and Mr. Amnuay are not affiliated with any party. Mr. Amnuay and Mr. Narongchai found the lack of political connections sparked opposition to their policies.

For months, investors have been fretting that Thailand's widening current-account deficit would force it to devalue its currency as Mexico did almost three years ago. According to NatWest Markets, Thailand is likely to devalue the baht by as much as 25 percent by the end of the year. (Bloomberg, AFP, Reuters)

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## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australian	1.60	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Belgian	36.36	16.6	34.0	133	20.5	2.5	2.5	2.5	2.5
British	1.79	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Canadian	1.25	0.58	1.15	5.8	92	11.8	1.2	1.2	1.2
French	6.55	3.0	6.2	23.6	375	48.0	4.8	4.8	4.8
German	1.66	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Italian	1.93	0.85	1.70	8.2	128	16.5	1.6	1.6	1.6
Japanese	105	48	100	1600	205	26.5	2.6	2.6	2.6
Spanish	166	75	150	600	75	9.8	0.9	0.9	0.9
Swedish	8.48	3.8	7.8	30	475	61	6.1	6.1	6.1
Swiss	1.48	0.68	1.35	6.5	105	13.8	1.3	1.3	1.3
Thai	25.00	11.5	23.5	92	1450	185	18.5	18.5	18.5
US Dollar	1.00	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Other									
Other Dollar Values									
Australian	1.60	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Belgian	36.36	16.6	34.0	133	20.5	2.5	2.5	2.5	2.5
British	1.79	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Canadian	1.25	0.58	1.15	5.8	92	11.8	1.2	1.2	1.2
French	6.55	3.0	6.2	23.6	375	48.0	4.8	4.8	4.8
German	1.66	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Italian	1.93	0.85	1.70	8.2	128	16.5	1.6	1.6	1.6
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US Dollar	1.00	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Other									
Forward Rates									
Australian	1.60	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Belgian	36.36	16.6	34.0	133	20.5	2.5	2.5	2.5	2.5
British	1.79	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Canadian	1.25	0.58	1.15	5.8	92	11.8	1.2	1.2	1.2
French	6.55	3.0	6.2	23.6	375	48.0	4.8	4.8	4.8
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US Dollar	1.00	0.75	1.35	6.5	105	13.8	1.3	1.3	1.3
Other									

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## EUROPE

Strategy  
Of LVMH  
Worries  
Investors

Compiled by Our Staff From Dispatches

PARIS — Investors on Friday were questioning whether cash spent by LVMH Moët Hennessy Louis Vuitton SA to lift its stake in Grand Metropolitan PLC to block a proposed merger between that company and Guinness PLC might be better used in LVMH's own profitable luxury-goods unit.

LVMH's chairman, Bernard Arnault, smarting from having been put on the sidelines in the proposed merger despite his 14.2 percent stake in Guinness, surprised markets by snapping up a 6.29 percent stake in GrandMet this week to leverage a better negotiating position.

Mr. Arnault, who is now the largest shareholder in both hopeful merger partners, has said he wanted to combine the three companies' drinks businesses into one, creating the world's largest drinks company.

"I'm advising investors to stay on the sidelines until there is more clarification of LVMH's strategy," said Edouard de Boigelin, analyst at Merrill Lynch & Co. A 25 percent stake in GrandMet would cost about \$3.7 billion (\$6.09 billion), he said.

Meanwhile, LVMH's debt was placed Friday on Standard & Poor Corp.'s CreditWatch list with "negative implications." S&P said the move to buy GrandMet shares would "place further pressure on its existing financial profile, which had already been stretched in 1996 by the purchase of a 61 percent stake in DFS," a duty-free shopping group in Asia.

The \$20 billion Guinness-GrandMet merger must be approved by 75 percent of GrandMet's shareholders and by a majority of shareholders in Guinness. LVMH needs to buy 25 percent of GrandMet to block the merger, but it needs only 10 percent in GrandMet to call an extraordinary meeting of GrandMet shareholders and challenge the merger, according to the London Stock Exchange.

LVMH shares fell 5 percent this week before rebounding Friday, when they rose 70 francs (\$12) to 1,331 francs. Several investors said the stock was likely to resume its decline in coming weeks if Mr. Arnault persisted in buying GrandMet shares. (Bloomberg, Reuters)

## East Europe Fears EU Expansion Delay

By Peter S. Green  
International Herald Tribune

PRAGUE — The failure of the European Union at its Amsterdam summit meeting this week to agree on reforms needed to expand into Eastern Europe, and its wobbly progress toward European Monetary Union, have raised fears in East European countries that expansion could be delayed and negotiations on terms of entry made more difficult.

"The Amsterdam summit did not give a clear signal on the possibility of countries like the Czech Republic moving fast with regard to European Union membership," Prime Minister Vaclav Klaus of the Czech Republic said.

"This I believe casts doubt on the possibility of other countries entering the Union," he added.

This view was echoed, in softer tones, across the region. "I cannot imagine how we could successfully end negotiations before some decisions are taken internally among the member states, especially on economic and financial matters," said Andrzej Har-

asimowicz, a senior official with the Polish EU integration committee. "The length of our negotiations will depend on how these discussions turn out."

East Europeans fear that if economic and monetary union is delayed, or if its fiscal restrictions are too painful, EU countries could lose their appetite for the expensive

## After Amsterdam, East European officials worry that EU countries could lose their appetite for the expensive and long task of expansion.

and long task of expansion.

"If something would go wrong that could have a potential impact on enlargement, it is EMU," said Pavel Telicka, an official of the Czech Foreign Ministry. Reflecting the view of officials across the region, Mr. Telicka said he believed that neither difficulties with monetary union nor unresolved problems in revamping the Union could stop the opening of accession talks, which are expected early next year.

But complicated negotiations on

quotas, rules and the internal changes required of each aspiring member could take 18 months or longer to complete. The decision in Amsterdam to delay a decision on changing the Union's cumbersome policy-making process by balancing power more evenly among large and small states and removing national veto power on major issues,

will hurt the Eastern hopefuls. Without the streamlining, the EU will have to hold additional discussions before either Cyprus or the East Europeans can be allowed in. This will give the member states that oppose expansion plenty of opportunity to stall the talks, especially over such issues as exemptions from EU rules that the aspiring countries cannot yet comply with.

"Worried? Yes and no," said Mr. Harasimowicz, the Polish official. "I don't think our way to the

negotiating process was stopped, but the problems which we hoped would be solved before we start negotiations are not being solved, just suspended."

Nicholas van der Pas, an EU spokesman, said after the Amsterdam meeting that "the way is now open to launch the process of enlargement." But a senior EU official argued that "the unresolved questions at Amsterdam obviously put a question mark over expansion."

"With French unemployment and German economic stagnation, this is no time to throw open the doors to well-educated cheap labor," said the official, who spoke on condition of anonymity. "If the Czechs, Poles and Hungarians haven't figured that out by now, there's something wrong with their figuring-out capacity."

He warned that worse is yet to come. When the European Commission delivers its own opinions next month on the technical readiness of the Eastern states to carry the burdens of EU membership, the official said, many states will be disappointed at how poorly prepared they have been judged to be.

## Italy's Post Office to Bolster Services Before Sale

Reuters

ROME — Traditionally seen as unwieldy and inefficient, the Italian Post Office is planning to turn itself into a dynamic provider of financial services and hopes to have a blueprint for its privatization ready by the end of the year.

Erzo Cardì, chairman of the unprofitable state service, said Friday that the post office wanted to improve its retail services ahead of a two-part

sell-off. He said he hoped that it could submit a privatization project to the government by the fall.

Mr. Cardì said the Treasury, which controls the post office, could follow Germany and the Netherlands by creating two separate entities: one to handle letters; the other to deal with banking operations.

The post office has started preparing for life in the marketplace. It has shed 60,000 jobs by not re-

placing staff who retire, leaving it with 180,000 employees.

Mr. Cardì also has pledged to break the post office out of the red in 1997 after a loss last year of some 800 billion lire (\$500 million).

He said the nation's network of 15,000 branches, including offices in 3,000 villages where there are no banks, had successfully moved into financial services two years ago, when it started offering state bonds.

Italians are among the most enthusiastic savers in the world, and state bonds are widely popular.

"At the moment, we are the biggest provider of financial services in Italy," Mr. Cardì said. But he does not expect the post office to compete directly with large banks.

He said post offices will offer such services as providing mortgages, personal bank loans, postal bonds and exchange services.

## Boeing Lands \$1 Billion Jet Order From BA

Bloomberg News

LONDON — British Airways PLC announced Friday it was exercising options to buy five Boeing Co. 777s and had placed orders for three 767 jetliners in a contract valued at \$1 billion, another victory for the U.S. planemaker from one of its most reliable customers.

The world's largest long-haul airline has now ordered a plane from Boeing's rival, the European consortium Airbus Industrie. The 777 and 767, used mainly on long-distance routes, compete

with the Airbus A330 and A340 wide-body jets. BA has been one of the most aggressive airlines in cutting costs in recent years and flies only a few different aircraft types to save training and maintenance expenses.

"An airline as cost-conscious as BA wouldn't make a major investment in another type when its fleet is already well-set," said Chris Avery, an analyst with Paribas Capital Markets. "In a sense, the only entry Airbus can make into its fleet is with a new type — the A3XX."

Mr. Avery was referring to Airbus's plan to break Boeing's monopoly on planes seating more than 400 people with the 600-seat A3XX, which it hopes to introduce early next century.

BA has chided Boeing for dropping plans to build a plane larger than the 420-seat 747, which BA uses on routes to congested airports such as those in London and Hong Kong.

Boeing plans to deliver the 767s in April and May, and start delivery on the 777s in September 1998.

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## WORLD STOCK MARKETS

Friday, June 20

Prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam

High Low Close Prev.

Bangkok

High Low Close Prev.

Bomby

High Low Close Prev.

Brussels

High Low Close Prev.

Copenhagen

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Frankfurt

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Hong Kong

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Jakarta

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London

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Manila

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Mexico

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Montreal

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Sao Paulo

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Seoul

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Singapore

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Stockholm

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Sydney

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Taipei

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Tel Aviv

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Tokyo

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Toronto

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Vienna

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Wellington

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Zurich

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## Markets Closed

The Helsinki and Stockholm stock markets were closed Friday for a holiday.

Tel Aviv

High Low Close Prev.

Amsterdam

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Bangkok

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Vienna

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Wellington

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Zurich

High Low Close Prev.

## The Trib Index

Jan. 1, 1992 = 100

Level

Change

% change

year to date

World Index

Regional Index

Asia/Pacific

Europe

N. America

S. America

Industrial Index

Capital goods

Consumer goods

Energy

Finance

Miscellaneous

Raw materials

Services

Utilities

The International Herald Tribune World Stock Index tracks the U.S. dollar values of 200 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 151 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

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12 Month  
 Sub Low Stock Div Yld PE 100% High Low Latest Crpe

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**Friday's 4 P.M. Close**  
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High	2nd Zone	Low	3d Zone	Low	4th Zone	Low	5th Zone	Low	6th Zone	Low	7th Zone	Low	8th Zone	Low	9th Zone	Low	10th Zone	Low	11th Zone	Low	12th Zone	Low	13th Zone	Low	14th Zone	Low	15th Zone	Low	16th Zone	Low	17th Zone	Low	18th Zone	Low	19th Zone	Low	20th Zone	Low	21st Zone	Low	22nd Zone	Low	23rd Zone	Low	24th Zone	Low	25th Zone	Low	26th Zone	Low	27th Zone	Low	28th Zone	Low	29th Zone	Low	30th Zone	Low	31st Zone	Low	32nd Zone	Low	33rd Zone	Low	34th Zone	Low	35th Zone	Low	36th Zone	Low	37th Zone	Low	38th Zone	Low	39th Zone	Low	40th Zone	Low	41st Zone	Low	42nd Zone	Low	43rd Zone	Low	44th Zone	Low	45th Zone	Low	46th Zone	Low	47th Zone	Low	48th Zone	Low	49th Zone	Low	50th Zone	Low	51st Zone	Low	52nd Zone	Low	53rd Zone	Low	54th Zone	Low	55th Zone	Low	56th Zone	Low	57th Zone	Low	58th Zone	Low	59th Zone	Low	60th Zone	Low	61st Zone	Low	62nd Zone	Low	63rd Zone	Low	64th Zone	Low	65th Zone	Low	66th Zone	Low	67th Zone	Low	68th Zone	Low	69th Zone	Low	70th Zone	Low	71st Zone	Low	72nd Zone	Low	73rd 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# ORBITEX



ASIA/PACIFIC

# Flying Australasian

## 3 Airlines Challenge 'Kangaroo Route'

By Michael Richardson  
International Herald Tribune

SINGAPORE — By signing a commercial alliance Friday, Singapore Airlines Ltd. and two leading Australasian carriers aim to cut costs and mount a challenge to the dominance by Qantas Airways Ltd. and its part-owner, British Airways, of flights between Australia and Europe via Asia.

Singapore Airlines, Ansett Australia Ltd. and Air New Zealand Ltd. said they had formed the largest international alliance of carriers based in the Asia-Pacific region. Together, the partners cover 200 cities in 47 countries with a combined fleet of 223 aircraft.

The partnership appears well founded, analysts said, because the airlines involved have relatively few conflicting services. Ansett operates mainly in Australia, where it controls about half the domestic market, and Qantas controls the rest.

Air New Zealand has a dominant share of the New Zealand market and growing links with East Asia.

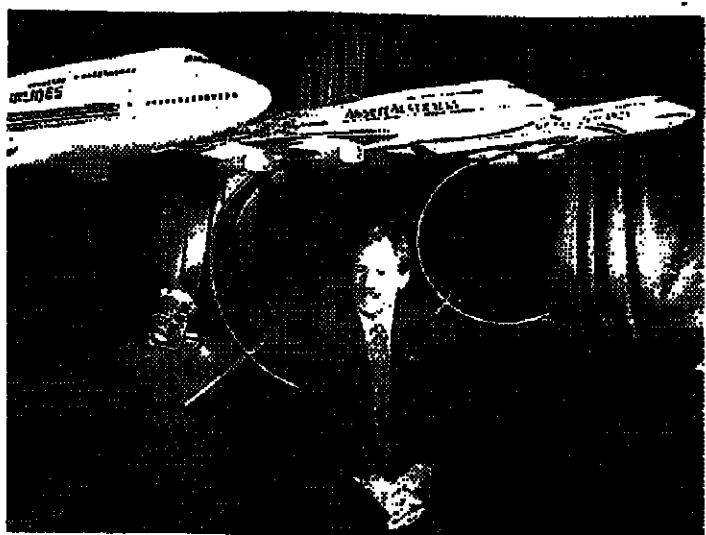
But it flies to its two European destinations — London and Frankfurt — across the Pacific, the United States and the Atlantic, not via Asia. Singapore Airlines has an extensive network to Britain and other parts of Europe, as well as in Asia.

But Singapore Airlines needs a stronger flow of passengers from Australia, who can now come from Ansett's domestic base, to challenge the dominance of the Qantas-British Airways tie-up on the lucrative "Kangaroo route" between Australia and Britain via Asia.

"Singapore Airlines is Ansett's natural extension to Europe," said Michael Ong, an analyst at SocGen-Crosby Securities Pte. "In return, it can feed its passengers into Ansett's services in Australia."

In signing their alliance, Singapore Airlines, Ansett and Air New Zealand said that to cut costs and improve customer services, they would operate joint services by code-sharing, meshing schedules for interconnecting passengers, and exchanging frequent-flyer benefits.

The alliance "will be good for our customers and, of course, for



Rod Eddington, chairman of Ansett Australia, in Melbourne.

our shareholders as well," Cheong Choong Kong, Singapore Airlines' chief executive, told Agence France-Presse.

The airlines also plan to cooperate in areas such as joint purchasing, promotion and marketing.

Such steps have yet to be agreed by regulatory agencies in Australia, New Zealand and Singapore, but analysts said they did not anticipate problems in gaining the necessary approvals.

At this stage, the alliance does not involve an exchange of equity,

# Speculation Of Takeovers Lifts Hong Kong Stocks

Compiled by Our Staff From Foreign Wire

HONG KONG — The Hang Seng index soared to a record close Friday amid speculation that mainland firms were on the prowl for takeovers before Hong Kong reverts to Chinese rule.

Receding fears over the property market also helped push the key Hong Kong index 4.5 percent higher, to 15,154.36 points, sailing past the previous record set June 2.

Market volume reached a record 26.59 billion Hong Kong dollars (\$3.44 billion), and the rise of 647.87 points was the biggest yet for a single day.

Some dealers said the index could reach 16,000 in a few weeks, perhaps even before China resumes sovereignty at midnight on June 30.

"You breathe the word 'China,' and the stock takes off," said Charles Schmidt, a director at M&T Unit Trust Managers Ltd.

Property companies such as Sun Hung Kai Properties Ltd. and Cheung Kong (Holdings) Ltd. rose for a second day as investors bet the incoming government's new housing policy might not be drastic enough to hurt property prices. Property shares, as a group, tumbled recently amid concern the Beijing-appointed government may impose tough measures to clamp down on speculation.

Hong Kong's future chief executive, Tung Chee-hwa, is considering new taxes on property transactions and restrictions on banks' mortgage lending, steps that could damp developers' profits, according to newspaper reports.

Hang Seng Bank Ltd. was particularly a focus of speculation that Chinese firms might be interested in buying a stake.

Although the bank's British-based parent, HSBC Holdings PLC, said it had no intention of selling any of its 61.5 percent stake in the territory's second-biggest listed bank, the share price rose 13 percent, climbing 12.75 dollars, to 109.50 dollars. Cathay Pacific Airways Ltd. and Hopewell Holdings Ltd. have also risen on similar rumors. (AFP, Bloomberg)

Investor's Asia				
Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,154.36	14,506.49	+4.47
Singapore	Straits Times	2,008.44	2,002.97	+0.27
Sydney	All Ordinaries	2,712.60	2,693.30	+0.72
Tokyo	Nikkei 225	20,385.54	20,507.85	-0.60
Kuala Lumpur	Composite	1,097.54	1,097.48	+0.01
Bangkok	SET	480.25	464.77	+3.33
Seoul	Composite Index	770.22	770.95	-0.09
Taipei	Stock Market Index	8,882.13	8,636.28	+2.85
Manila	PSE	2,881.73	2,905.97	-0.83
Jakarta	Composite Index	712.22	708.45	+0.53
Wellington	NZSE-40	2,423.60	2,407.50	+0.67
Bombay	Sensitive Index	4,083.04	4,088.98	-0.15

# Very briefly:

- Hyundai Motor Co. and Kia Motors Corp. have cut back production because of mounting inventories and slow demand. A Hyundai spokesman said the South Korean auto industry "now faces a saturated domestic market."
- Pure Drinks (New Delhi) Ltd., an Indian partner of Cadbury Schweppes PLC, said it would force the British company to honor its commitments after a court ruled that Cadbury had violated an exclusive marketing contract by joining with another Indian company, Skipper Beverages Private Ltd.
- Jet Airways, India's largest private airline, said it hoped Naresh Goyal, a London-based Indian citizen, would buy the 40 percent of the company he does not already own following the government's decision to ask foreign airlines to withdraw their investment from Indian domestic carriers by Oct. 15. Gulf Air and Kuwait Airways hold stakes in the company.
- Washington state cherries were shipped to China for the first time since the 1995 signing of a bilateral agreement, but a U.S. official said the high retail price of about \$9 a pound would inhibit sales.
- Nike Inc. played down the dismissal of more than 400 apprentice workers at one of its factories in Vietnam, saying the trainees had never signed a contract, were paid for the work they did and would be given the first priority for work when business picked up.
- Honda Motor Co. said it would double motorcycle production at its factory in Attessa, Italy. Honda produced 661,000 motorcycles at the plant last year.
- Kokusai Denhin Denwa Co. Japan's biggest international telephone company, said it would begin domestic telephone services next month following the deregulation of Japan's telecommunications market. (AFP, AFP, Reuters)

# Gates Joins Packer in Australian Internet Pact

Compiled by Our Staff From Foreign Wire

SYDNEY — Kerry Packer, the richest man in Australia, teamed up Friday with Bill Gates, the wealthiest man in America, to form a joint venture on the Internet.

Mr. Packer's Publishing & Broadcasting Ltd. and Mr. Gates's Microsoft Corp. formed a company to provide on-line news, sports, entertainment and weather programs, and financial and retail services. Each partner will hold 50 percent of the venture.

The venture will use Microsoft's on-line technology and will draw content from the U.S. software giant's products. It also will use Publishing & Broadcasting's television arm, Nine Network, and its magazine business, Australian Consolidated Press.

Nine is Australia's highest-rated television network and Australian Consolidated is the country's largest magazine group. The unit's publications include the Australian Women's Weekly, Woman's Day, The Bulletin, Cleo, Cosmopolitan, Dolly and Australian Personal Computer.

"We are very excited about the opportunity to partner with a world-class media organization like PBL," said Mr. Gates, Microsoft's chairman.

The Australian on-line service would be started in the next two to four months, Publishing & Broadcasting said.

The service will include Microsoft products—Microsoft Network, the entertainment guide Sidewalk, the travel service Expedia and the financial service Investor.

Daniel Petre, chairman of Publishing & Broadcasting's PBL on-line unit, said the venture would allow economies of scale.

"Each partner could have embarked upon this on-line route individually, but the task becomes considerably less difficult as a single entity," Mr. Petre said.

The companies did not provide details, but MSN International's director, Alan McGinnis, said it was a "serious investment for both companies."

"We are not going to be making any money out of it for the next two to three years," Mr. McGinnis said.

About 20 percent of Australian homes own computers, one of the world's highest levels, Mr. McGinnis said. Australian MSN membership was expected to reach 75,000 by July 1, he said. (Reuters, AFP)

**News Corp. Joins Packer in TV Venture**

Australia's News Ltd. said it would join Publishing & Broadcasting in a major shake-up of the country's fledgling pay-television industry, Agence France-Presse reported.

News Ltd., the Australian arm of Rupert Murdoch's News Corp., is already teamed up with Telstra Corp., a telecommunications company, in the pay-television joint venture Foxtel. Publishing & Broadcasting has a stake in the loss-making pay-television operator Australis Media.

News Ltd. said Publishing & Broadcasting would share with News Ltd. and Telstra its economic interests in Australis Media Ltd. Australis has satellite infrastructure that would extend the reach of the News-Telstra pay-TV joint venture Foxtel, which delivers its services by cable.

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The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as

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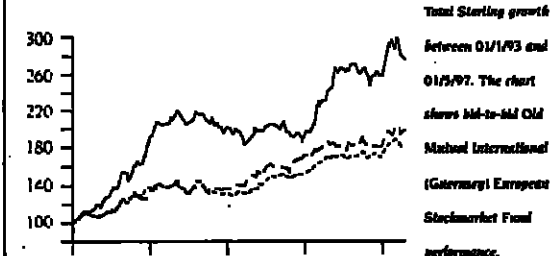
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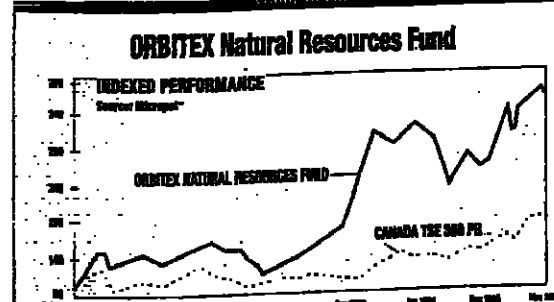
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American Growth	21.4.84	+1221.9	+116.4	AA
Latin American Growth	31.1.85	+49.2	—	—
Far Eastern Growth	8.11.86	+458.8	+138.1	AAA
Japanese Growth	30.11.91	+13.7	+11.8	AA
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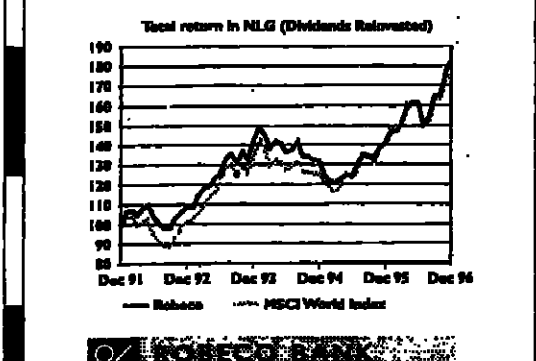
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IHT 21/06/97



## Profitable Mix: Oil and (Rain)water

Billionaire Investor Sees Bright Future in Real Estate and Petroleum

WHEN Richard Rainwater talks, listen up. The normally reclusive self-made billionaire, who rarely grants interviews, made an unusual U.S. television appearance April 25 and told viewers that the two most attractive areas for investment right now are real estate and oil and gas.

That's no surprise to Rainwater aficionados. A few years ago, he launched Crescent Real Estate Equities Co., which owns a portfolio of hotel, office and residential properties, mainly in Colorado and Texas.

Since going public in 1994, the company's stock has returned 161 percent.

Then, in 1996, Mr. Rainwater took control of sickly Mesa Inc., the petroleum company founded by T. Boone Pickens, whose stock had plummeted to \$2.63 from \$68.75. The return for investors in Mesa over the past 12 months: 93 percent.

I'm a longtime Rainwater fan. His style is to concentrate in only a few areas that are ripe for systemic change. As an adviser, he made the rich Bass family of Texas even richer, performing such virtuoso tricks as turning \$50 million in Walt Disney Co. stock into \$5 billion.

So, over the past few weeks, I've been pondering what he said about oil. He may be right.

The theory goes like this: Demand for oil and natural gas will increase as the world gets richer and needs more and more fuel for transportation and heating. In another 30 years, alternatives like hydrogen fuel cells may become widespread, but in the meantime there are no reasonable options beyond what's in the ground.

Mr. Rainwater believes that shortages could lead to export controls. Governments will require that their oil and gas stay at home. For that reason, he is enamored of such domestic producers as Mesa (which will become Pioneer Natural Resources after its buyout of Parker & Parsley Petroleum Co. is complete).

Lately, there has been little evidence that demand is pushing up against supply. The price of crude oil has been remarkably stable over the past decade. Except for a brief spike to \$40 a barrel when Iraq invaded Kuwait, the range has been roughly between \$15 and \$25. It is now about \$19. Adjusted for inflation, oil is half as expensive as it was in 1985.

One reason is more conservation; another is more supply. Will those trends continue?

John Mueller, an economist at Lehr-

Rainwater followers know the importance of patience.

Here is a tour of some stocks worth considering.

With a recent acquisition, Tidewater Inc. now dominates the business of servicing the offshore drillers in the Gulf of Mexico and has international operations as well. James Stone, an analyst for Schroder Werthem & Co., figures that Tidewater can cut its overhead and probably increase its rates this summer. Sales rose 25 percent last year, and profit nearly doubled. The stock trades at a price-to-earnings ratio of 12, based on

profit estimates for the fiscal year ahead.

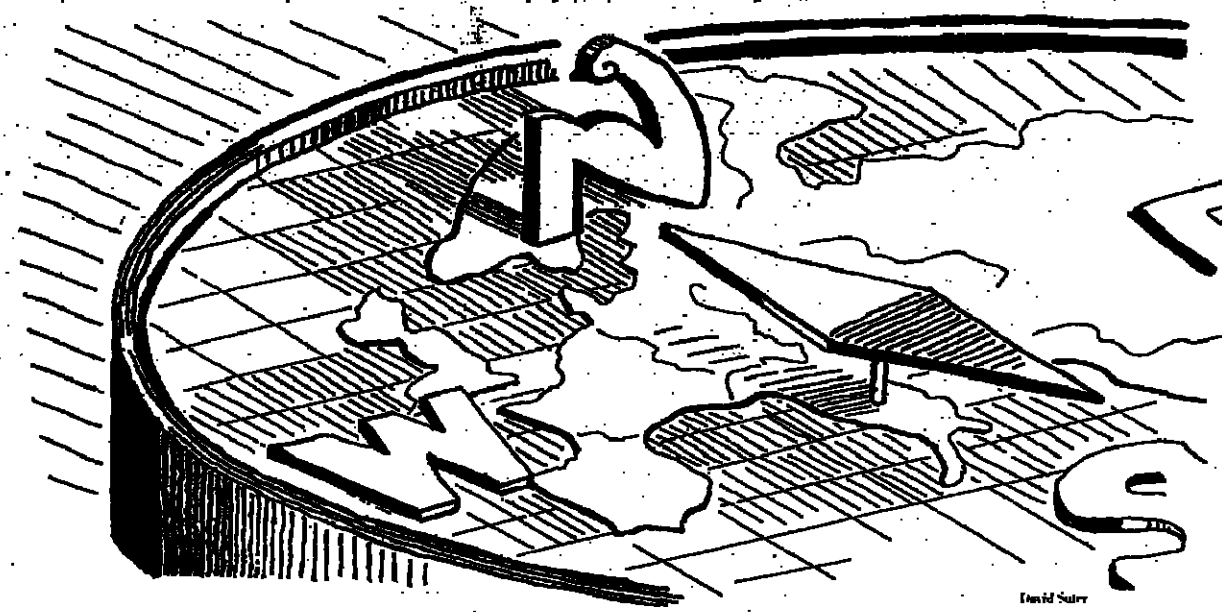
The blue-chip oil service company, however, is Schlumberger Ltd., with a market capitalization (stock price times shares outstanding) of \$29 billion, one third more than Chrysler Corp. The good news about Schlumberger is that first-quarter earnings rose 52 percent. The bad news is that the stock reflects it up 44 percent in the past 12 months. Still, Eugene Per-

oni, top analyst for Janney Montgomery Scott Inc. in Philadelphia and an excellent stock picker, is high on the company, estimating that shares could rise by a third in the next nine to 12 months.

Bob Gabele, editor of the newsletter *Insiders' Chronicle*, tracks the buying and selling activity of insiders — directors and top managers — in their own stocks. Insider purchases are often a good sign, and Mr. Gabele said last month that "the strongest buying we see is in the energy sector." He cites recent activity in Apache Corp. and in Santa Fe Energy Resources Inc., both producers with strong domestic holdings.

Charles Biderman, who publishes *Individual Investor Trim Tabs* in Santa Rosa, California, is enthusiastic about Stone Energy Corp., a domestic oil-and-gas company based in Louisiana with a reputation for skilled manage-

Continued on Page 17



## Investors Warm to Scandinavia

Northern States Offer Alternative to the Euro Zone

By Aline Sullivan

AS THE WEAKNESS of its core economies casts a shadow over much of Continental Europe, the sun seems to be shining more brightly in the north: Scandinavia is basking in unaccustomed investor approval.

Much of this new popularity is due to uncertainty over the prospects for European monetary union, or EMU. Doubts among many investors that it will start on schedule have depressed the French franc and the Deutsche mark and lifted the so-called "safe haven" currencies of Switzerland, Britain and the Scandinavian countries, all of which are likely to opt out of the first phase of monetary union in 1999.

Even if EMU goes ahead smoothly, Europe's periphery may benefit more than its core, some analysts said.

"Investors are increasingly trying to find ways to diversify when EMU is created," said Mike Groeninger, European economist at Salomon Brothers in New York. "Switzerland is an obvious choice but Norway, Sweden and Denmark are good bets as well."

The outlook is rosy for equity investors throughout the region. Companies in Norway, Sweden, Denmark and Finland are benefiting from restructuring programs implemented years ago. Today, Nordic companies are some of the world's most dynamic in some of the fastest-growing sectors.

The process is continuing, as demonstrated by the announcement last week that Electrolux AB, the Swedish appliance maker, will cut 12,000 jobs, or 11 percent of its global work force. Electrolux stock rose 16 percent on the news.

Peter Oppenheimer, European strategist at HSBC James Capel in Lon-

don, said Nordic companies were far ahead of their Continental European rivals in restructuring.

"The process has been ongoing for a long time," he said, "particularly compared with France where they are just getting started."

That view was seconded by Clarkson Williams, vice president and international analyst at fund management group Pioneer in Boston. Scandinavian companies are often much more appealing to American investors than their counterparts elsewhere in Europe, he said. Pioneer funds are a case in point: The three with significant exposure to the region — the \$180 million Pioneer Europe Fund; the \$500 million International Growth fund and the \$180 million Pioneer Global Equity fund — are all overweight in Scandinavia.

"Despite Scandinavia's historic socialist tendencies, businesses have adapted a very shareholder-friendly attitude," Mr. Williams said. "Their disclosure, accounting and communication with analysts is better than at companies elsewhere in Europe. The companies are also leaner and meaner."

Most of the Nordic countries still have high unemployment. About 8 percent of the Swedish and Danish labor forces are jobless, as is a startling 15 percent of Finns. Only Norway, with its relatively small population and booming oil industry, has avoided this predicament. Its unemployment rate of 4 percent is the lowest in Europe.

Employment rates and attitudes toward European union are just two of the differences among the Nordic countries. "There is a new awareness of the differences among the countries," said Beshara Madi, an economist at Morgan

Stanley in London. "Five years ago, Scandinavia was viewed as one bloc but now some major differences have become more apparent. There are differences in politics, labor relations and their monetary and fiscal policies."

Some of these differences have been years in the making. Denmark started to gravitate south back in 1972 when it joined what was then the European Community. Since then, its economy has been greatly affected by Germany's. But investors tempted to dismiss the country as a satellite of its giant neighbor to the south would be making a mistake, some analysts said.

According to Richard Woodworth, a strategist at Merrill Lynch in London, Denmark enjoys some notable advantages over Germany, particularly since opting out of EMU. "Denmark has more flexibility in its fiscal policy and more flexibility in its labor market," he said. "While Germany has been burdened by high debts from reunification and much of Europe has suffered a downturn, Denmark has been able to stimulate its economy."

Norway embarked on a different path a decade earlier when oil and gas was discovered. Exploration began on a grand scale in the 1970s although it wasn't until the 1980s that rising oil prices caused revenues to soar. Today it has the strongest balance sheet of any country in the world.

Sweden and Finland have more in common, despite their disparate views on EMU. Both countries endured several devaluations in the 1980s, which brought about high inflation and overheated economies. The result was a crash in the early 1990s. They have emerged with the some of the lowest inflation rates in Europe: 0.5 percent in Sweden and 1.5 percent in Finland.

## Q &amp; A / Goran Espelund

## Nordic Nations: A Global Head Start

Goran Espelund is co-director of equities at Robur Kapitalforvaltning AB, the largest fund-management company in Sweden and a unit of Sparbanken Sverige, as Sweden is known in Sweden. Mr. Espelund spoke with *Conrad de Aenlle* about the prospects for the Nordic stock markets.

Q. Of all the places to invest, why the Nordic countries? What have they got that other European markets, or those outside Europe, don't?

A. I think the Nordic countries can offer companies that have been used to competing globally for many years and hence have a head start on some of their Continental European competitors which, due to their larger domestic markets, have been much slower responding to globalization. Second, with the exception of the U.S., I believe Swedish companies in particular are responding forcefully to the trend of increasing focus on creating shareholder value.

Q. How are the region's various markets likely to perform over the next several months, compared with markets elsewhere? Is it a good time to send money north?

A. I think they will outperform. Moderate growth, low inflation, good profitability and a continuing focus on creating shareholder value give us a great backdrop for the Nordic equity markets.

Q. One thing the Nordic countries were famous for in the early 1990s, aside from boxy cars, was weak banks. Most of the patients have recovered, but is their financial health really sound now?

A. Yes, the Nordic banks have clearly recovered. Loan losses and provisions have generally come down to very low levels, and profitability, in particular in Sweden, is at sustainable high levels. So the patient is doing just fine.

Q. The region depends a lot on cyclical industries, like oil and forest products. To what extent can the banking crisis be blamed on weakness in those industries during the recession in the early 1990s and how much was the fault of the bankers?

A. I don't think we can blame the banking crisis on weakness in oil and pulp prices. I think there were a number



Goran Espelund on Nordic banks: "The patient is doing just fine."



The patient is doing just fine.

positive markets will be that a wide EMU will go ahead, the stronger the currencies will be against the mark.

I think the outlook for both short- and long-term rates is for stable to lower rates, with the best possibility for lower rates in Sweden.

Q. Have Sweden, Finland and Denmark been helped or hurt by membership in the European Union? Has Norway been helped or hurt by staying out?

A. It is probably too early to tell in the case of Sweden and Norway. However, in principle I believe it is very hard as a small, open economy to stay on the sidelines. If you do, you have to be less dependent on the rest of Europe, which Norway is due to the oil, so if anyone can do it, it's Norway, as long as they have the oil.

Q. Of the four stock markets, Denmark is valued conspicuously higher than the others. Its price-earnings ratio is much higher and its average dividend yield and analysts' projected growth are lower. Is the market best avoided?

A. I think some of the valuation difference can be explained by a different

Continued on Page 17

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A full range of investments	YES <input type="checkbox"/>	NO <input type="checkbox"/>

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## THE MONEY REPORT

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## Norway Oil and Gas: Plentiful in the Ground, Scarce on the Stock Market

By Judith Rehak

THE DISCOVERY of huge oil fields under the North Sea in the late 1960s has propelled Norway to the top rank of petroleum producers, pumping some 3.5 million barrels a day, and second only to Saudi Arabia as an exporter. With new finds coming on stream by the turn of the century, and underexplored areas that still offer huge potential — all in a politically stable region — few see any let-up soon in the oil and gas riches that underpin the country's economy.

Yet investment opportunities in Norway's most important industry are surprisingly sparse. Unlike the United States or Britain, both of which offer an array of big and small producers, Norway is dominated by its "Big Three": Statoil AS, the largest by far, is state-owned; Norsk Hydro ASA, 51 percent government-held, is really a conglomerate where owners of its listed shares get a stake not only in oil and gas

but aluminum, fertilizer and even salmon farming.

Only Saga Petroleum ASA, an exploration and production company, is independent and publicly held. There are a few small exploration firms, but at least one analyst in Oslo warns individual investors away, saying, "They're like gambling."

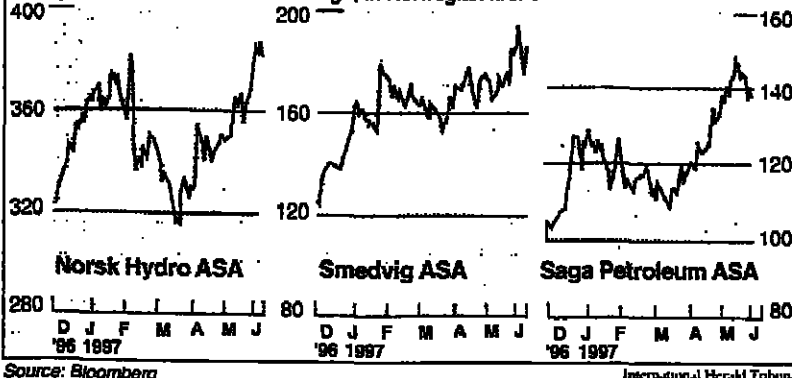
Nevertheless, followers of Norway's oil and gas industry say its two big public companies, and a few others in related sectors, warrant attention, especially for investors looking out over the next year or two.

For devotees of a pure play, Saga is a favorite among several analysts right now. "They've had particularly stunning exploration successes," said Iain Reid of NatWest Securities in London, citing the company's recent Lavan and Kristin discoveries, two huge finds in the North Sea.

"The full impact of that isn't in the share price," said the analyst, even though Saga stock has surged 9 percent since April. He calculates that the two discoveries have roughly 2.2 billion bar-

## Norway's Oil Stocks

Daily closings on the Oslo exchange, in Norwegian kroner



Source: Bloomberg

rels of oil and gas reserves. Once the new fields begin operating in 1998, Saga will be able to produce 250,000 barrels a day, up from 200,000 currently.

As for Norsk Hydro, fans of blue-ribbon, big-company stocks, both foreign and Norwegian, often turn to Norway's largest publicly listed company as the easiest way to participate in its stock

market, as well as its oil and gas industry. But the fortunes of this conglomerate are heavily impacted by other commodity prices as well, and after a roller-coaster ride in its stock price over the past year, analysts are divided on its prospects.

"We were great bulls in its big stock price runup last year, but then we warned

that people were too optimistic about commodity prices, especially aluminum and light metals," said Sue Graham, Merrill Lynch's European oil specialist. Norsk Hydro's price rise came to an abrupt halt last February, when its shares plunged 6 percent in one day on news of a 16 percent decline in earnings for 1996, inflicted mostly by weak prices and bloated inventories in aluminum as economic growth stagnated in Europe.

Nevertheless, when the company's first-quarter earnings for 1997 fell less than expected, investors jumped back on board, causing its shares to surge again. Ms. Graham still has a "hold" rating on the stock, however.

But other analysts see aluminum as a positive for Norsk Hydro.

"People haven't focused on enough on their goal to increase aluminum production from 580,000 tons in 1996 to 700,000 tons in 1998," said Peter Barrington, who follows the company for Karl Johan Fonds AS, the Oslo-based brokerage unit of Union Bank of Norway. He estimates that the price of aluminum ingots will average about \$1,600 a ton this year, and need only a mild economic

recovery in Europe to hit \$1,700 in 1998. "And it's profitable at \$1,600," he said.

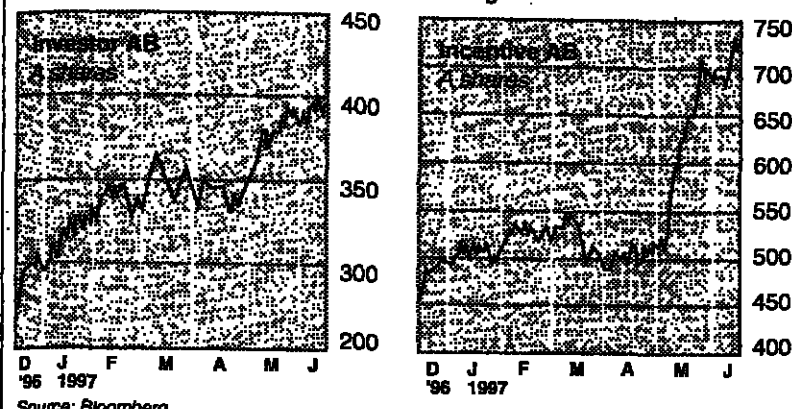
Moreover, Mr. Barrington expects oil prices to stay around \$19 a barrel, and possibly slip lower. In his view, that places Norsk, with its stakes in aluminum and other commodities, in a more favorable position than Saga. "Saga is more vulnerable because it's a pure play," he said.

Investors with a low tolerance for the ups and downs of the commodities markets may prefer Norway's thriving oil-service sector, companies that build and install drilling rigs and offshore platforms. Per Gunnar Ryrner, an analyst at Karl Johan Fonds, favors Smedvig ASA as the most technologically advanced, and smaller fields in the North Sea.

"The most exciting thing about Smedvig is their floating production ships," he said, explaining that instead of building a fixed platform, the ships can go into a field, bring up as much as 100,000 barrels of oil a day, and move on to another field when it's completed.

## Wallenberg: A Family's Jewels

Daily closings on the Stockholm stock exchange



Source: Bloomberg

## Change Comes, Gently, For Wallenberg Empire

Family Business Adapts to Globalization

By Digby Lerner

THE WALLENBERG FAMILY of Sweden is the type of powerful dynasty that inspires screenplay writers. Investors and diplomats — Kaoull Wallenberg used his position in the Swedish Embassy in Budapest to help smuggle Jews out of Nazi-occupied Hungary — the Wallenbergs have held an active interest in most of Sweden's blue-chip businesses for more than half a century.

With stakes in such corporations as Scania AB, Saab Automobile AB, Ericsson AB, Astra AB, SKF AB and Electrolux AB, the family has had a strong impact on the boardrooms and the strategy of Swedish commerce. Trading under the umbrella of Investor AB, the family's investment is worth 79 billion kronor (\$10 billion), up from around 9 billion kronor 10 years ago. Figures from Nelson, the U.S. business research company, show that Investor's average annual return has exceeded 20 percent over the last 25 years.

As remarkable as this dynastic control of Swedish businesses may seem, signs are it is going through a period of change. The steady pressure for corporations to globalize, coupled with the fear that Sweden's economy is slowing, has forced the Wallenbergs to adapt. Instead of remaining the biggest player in a relatively small arena, the family is setting forth into the more competitive international market.

The first evidence that the Wallenbergs' traditional hold over Investor was loosening came with the appointment of Percy Barnevik as chairman of Investor in April. The replacement of Peter Wallenberg, who retired, by someone outside the family was the first time in 50 years that direct control of the business had been wrested from a Wallenberg.

Peter Wallenberg had been steadily reducing his boardroom presence in recent years but was said to have favored his son, Jacob, and his nephew, Marcus, to head the corporation.

Ironically, the need to alter the Investor strategy is driven partly by its success, analysts said.

Steffan Lindstrand, an analyst with the

Swedish broker, ABB Aros Fondskommision, said there was simply no room for Investor to expand further in its domestic market. "Investor has the type of balance sheet that makes it possible to invest elsewhere and it clearly has to look outside Sweden for growth stocks."

Exactly what impact this change of emphasis will have on the Wallenbergs' traditional hold over Swedish corporations is unclear. Some analysts expect Investor's foreign expansion to be financed by the sale of part of the company's domestic portfolio, especially as it plans moving away from its current dependence on slow-growth industrial stocks in favor of more dynamic investments.

However, few expect any significant relaxation of Wallenberg's overall control of the Swedish market. Indeed, some of its existing Swedish investments, such as Ericsson and Astra, are exactly the type of international growth stocks Investor wants to hold.

As part of its new strategy another Wallenberg investment company, Investor AB, recently sold half its stake in ABB AB, a holding company for the engineering business. ABB's Astra Brown Boveri Ltd. Of the 110 million shares sold off, half went to institutional investors while the rest were pumped directly into Investor. Cash from the sale helped finance Investor's \$1.59 billion purchase of Vivra Inc., an American dialysis-service company.

"Finding the right investments is a slow business so you're not going to notice a dramatic sea-change," Mr. Lindstrand said. "Percy Barnevik spent a lot of time on the Investor board before becoming chairman, so it's not like he's a new person with completely different ideas. He's a bit like Warren Buffet of the United States, in that he makes fairly infrequent investment changes."

Fredrik Grevelius, an analyst with Carnegie AB in Stockholm, said it will take several years for the Investor portfolio to change direction. "I think even in about two or three years you will still see pretty much the same types of holdings as there are now. The amount of money tied up with these companies is so big that it would be impossible to move into other investments very quickly," he said.

## Nordic Nations Get a Global Head Start

Continued from Page 16

composition of companies. There are fewer cyclical companies in Denmark. No, we do not think the market should be avoided.

Q. Where are we in the economic cycle now?

A. We believe economic activity in Scandinavia and Continental Europe will be a bit better going forward, but we are not expecting to see tremendous growth rates over the next 18 months.

Q. Each country seems to have a dominant industry: cars in Sweden, paper and forestry in Finland, oil in Norway and pharmaceuticals in Denmark. What are the prospects over the next year or two for each of them?

A. We think the outlook is bright [for Volvo AB]. The company has divested almost all non-core assets. The car division has a very strong model range today and will introduce a lot of exciting new models in coming years.

For the paper and forest-products companies in Finland and Sweden, we believe pricing will slowly improve as the business cycle improves. The interesting thing with this sector is consolidation, which we believe there will be much more of.

The Norwegian oil industry, of course, will be dependent on the oil price, which we believe will trade in the \$20 to \$25 range.

Pharmaceuticals in Denmark ought to be judged on a company-by-company basis. We think the most interesting pharmaceutical company is not Danish but Swedish: Astra.

Q. What are the biggest holdings in your portfolio and what do you like about them?

A. Sandvik has great business areas in tooling and steel. It's a world leader in the tooling business, with very good profitability. Its steel business is niche-oriented, with margins far above those you are used to in the major European steel companies.

Astra. There is still great potential for Losac [a drug for digestive ailments] to continue its success, and it has a number of other strong products.

Skanska. The Swedish construction market is at rock bottom and can only get better. The company is doing a lot to realize value in the balance sheet through divestitures and share redemptions.

Q. What's your opinion of the mobile phone makers, Nokia and Ericsson?

A. We own both and are very bullish. This will continue to be a great growth industry for the foreseeable future and both companies are well positioned.

## BRIEF CASE

## Swedish Funds Attract Investors

Swedish investors apparently are bullish on their own economy, judging by the latest monthly figures from the Swedish Association for Funds, an industry group.

Net investment in Swedish stock and bond funds was 4.8 billion kronor (\$622.3 million) in May, lifting total net investment for the first five months of this year to 44 billion kronor, the association said. New cash invested in stock funds was 4.1 billion kronor in May, while mixed funds took in a net 1.2 billion

kronor. Fixed-income funds lost 550 million kronor, as withdrawals were larger than deposits for the first time since April 1996. "Savings are about three times as big as in May last year," the association said. For 1995 and 1996 net inflows were 24 billion kronor.

(Bloomberg)

## Bet Your Money On French Tourism

French travel and leisure stocks are becoming a favorite part of call for investors hoping to profit from an expected upswing in summer travel. With the tourist season

kicking off June 21, investors are fattening portfolios with leisure picks from Accor SA, operator of the Ibis and Sofitel hotels, to Club Med-terrace SA, the tour operator. They are also choosing smaller stocks, such as Louvre SA, which operates the Concorde hotel in Paris, and the sailboat maker Beneteau SA.

(Bloomberg)

## Hongkong Telecom: Handover Fever

So you thought you had seen it all — "carned colonial air," the "I was there" certificates stamped by Hong

Kong's Monetary Authority, and enough handover T-shirts to clothe a small country.

Think again. Hongkong Telecom, which runs the territory's telephone services, has leaped on the sovereign handover in anticipation of the British colony's July 1 return to Chinese rule.

With China Telecom, a mainland-owned enterprise, Hongkong Telecom is issuing what is billed as the first joint-issue phonecard between two major Asian carriers. The set of eight cards is "highly collectable," Hongkong Telecom said, and priced at \$64.

(Reuters)

## A Profitable Mix: Oil and (Rain)water

Continued from Page 16

ment. He writes, "Stone Energy is a table-pounding buy at under \$30." At midday Friday, it was \$26.625 a share.

In its 14-stock capital appreciation portfolio with "above-average risk," Smith Barney Inc., includes Transocean Offshore Inc., a drilling services company that specializes in deep water, technically demanding work. Profit rose 32 percent last year, and the stock trades at a reasonable P/E of 20, based on estimates for this year.

Newly merged Morgan Stanley Dean Witter gives "strong buy" recommendations to Tosco Corp., an independent refiner and marketer that also operates Circle K convenience stores, and Valero Energy Corp., a refiner and producer that specializes in environmentally clean fuels. Both trade at P/E's under 14, based on estimates for next year's earnings. The investment house also ranks energy as its third-most-favored sector, after technology and capital goods.

Merrill Lynch & Co. this month upgraded Questar Corp. to a "long-term buy," calling it "an excellent integrated (natural) gas company with a 95-percent-plus share of the strong Utah market." Questar has delivered annual average returns of 17 percent over the past five years.

The most interesting of the international giants may be

Texaco Inc., which is investing \$4.5 billion on exploration this year, seeking to boost oil and gas production by 50 percent by 2000. Unlike more diversified companies, Texaco's earnings are highly dependent on the price of crude. But if you believe a demand-supply squeeze is ahead, then Texaco could be attractive.

Picking individual energy stocks is no easy matter, so the best bet for many investors may be specialized mutual funds. The best performer over the past five years, according to the Value Line Mutual Fund Survey, is Fidelity Energy Services, returning an annual average of 23 percent, a figure Value Line calls "astounding."

Top holdings include Schlumberger, Halliburton Inc., Weatherford Enterprises Inc. and Dresser Industries Inc.

A lower-risk fund that has produced solid returns over a long period is T. Rowe Price New Era, which I have owned for many years. The fund's holdings also include precious metals companies, but among its largest investments, at last report, were Mobil Corp., Royal Dutch Petroleum Co., Atlantic Richfield

Co. and Union Pacific Resources Group Inc.

If you are willing to take risk, a good selection is State Street Global Resources, which concentrates on small energy stocks. It has returned an annual average of 23 percent over five years (thanks to a 70 percent gain last year) but with a risk rating that Morningstar Inc., the fund researchers in Chicago, pegs at 77 percent above average. Top holdings are TransTexas Gas Corp., a production and pipeline company; Nuevo Energy Co., a domestic independent with an offshore interest in West Africa; and Ranger Oil Ltd., a Canadian company that drills in the

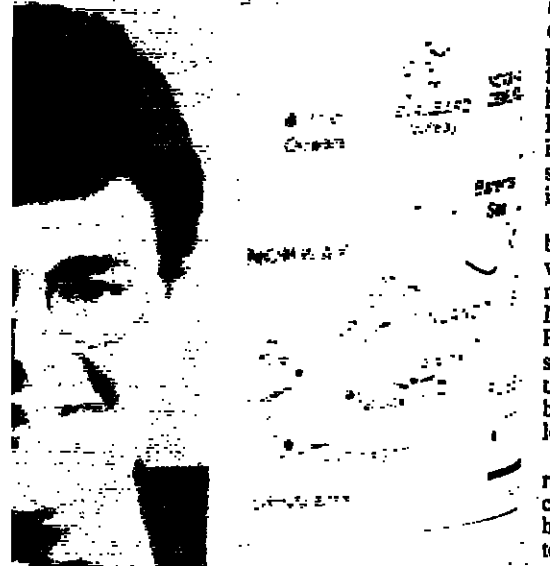
Gulf of Mexico, the North Sea, Ecuador and Namibia.

Of course, there is another way to get into oil and gas. Just buy stock in Mesa, Mr. Rainwater's own company.

Washington Post Service

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Alternative to the Euro Zone

Global Head Start



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**June 20, 1997**

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A\$ - Australian Dollars; AS - Austrian Schillings;  
 BF - Belgian Francs; C\$ - Canadian Dollars; DM -  
 Deutsche Marks; DKK - Danish Kroner; D - US  
 Dollars; ECU - European Currency Unit; FF -  
 French Francs; FIM - Finnish Marks; FL - Dutch  
 Guilder; FRF - French Francs; Lfr - Italian Lira;  
 LP - Luxembourg Francs; P - Pesetas; MYR -  
 Malaysian Ringgit; Ptas - Pesetas; S\$ -  
 Singapore Dollars; SF - Swiss Francs; Sk -  
 Swedish Kronor; THB - Thai Baht; Y - Yen.

a - asked - - - - - Offer Price; N/A - Not Available  
 N.C. - Not Communicated - - - - - New; S -  
 suspended; S/S - Stock Split; E - Ex-Dividend;  
 Ex-Pst. - Ex Other Pstn sold; % pref. - stock - - -  
 - First exchange; - Amsterdam - exchange -  
 - suspended market; - sold - suspended with  
 regulatory authority; P - Middle of bid and offered  
 price. E - estimated price; P - price calculated 2  
 days prior to publication; S - bid price.

The marginal symbols indicate frequency of  
 quotations supplied: (d) - daily; p - weekly; bi-  
 monthly; (b) - bi-monthly; (r) - regularly; (n) -  
 irregularly; (m) - monthly.

SUMMER RATES







# SUMMER IN NEW YORK

## GOING OUT ON THE TOWN

Some New York favorites include steak, seafood, pasta and tandoori.

Who says New York restaurants are too expensive? From June 23 to 29, more than 100 of the city's finest will serve three-course prix-fixe lunches for \$19.97. Call ahead — way ahead — for reservations. Tel.: (800) 692-8474.

If this special offer doesn't fit in with your travel plans, here is a selection of old and new favorites.

**The Bombay Palace** 52nd St. at Sixth Ave. Tel.: (212) 541-7777. In a city full of Indian restaurants, this is considered one of the most elegant, with some of the best cuisine. The tandoori dishes are especially good, and the lunch buffet is a bargain.

**Cité**, 51st St. between Sixth and Seventh Aves. Tel.: (212) 956-7262. For lovers of French food, Cité offers "wine dinners" every night at 8 P.M. Four wines are served without charge to accompany a prix-fixe dinner of \$49.50 (includes entire menu).

**Felidia**, 58th St. and Second Ave. Tel.: (212) 758-1479. Zagat's, the New York restaurant bible, says, "They don't get much better." Located in an elegant brownstone, Felidia's fine North Italian cuisine is complemented by the restaurant's renowned wine list.

**Park Avenue Café**, 63rd St. between Park and Lexington Aves. Tel.: (212) 644-1900. Chef David Burke has been called "the most imitated chef in New York" for his New American cuisine. The pastry

chef, Richard Leach, has just won the James Beard award for best pastry chef.

**Maloney & Porcelli**, 50th St. between Park and Madison Aves. Tel.: (212) 750-2233. Open for less than a year, this new favorite has outdoor dining and food from the past, including crackling pork shank and angry lobster.

**Manhattan Ocean Club**, 58th St. between Fifth and Sixth Aves. Tel.: (212) 371-7777. The New York Times restaurant critic Ruth Reichert raves about this New York seafood shrine. More than 50 original Picasso ceramics built into the walls provide the setting for chef Jonathan Parker's creations, called "the best seafood in New York" by Zagat's.

**The Post House**, 63rd St. between Park and Madison Aves. Tel.: (212) 935-2888. The Wine Spectator called this "one of the 10 best steak houses in America." Offers an extensive wine list.

**Sel et Poivre**, Lexington Ave. at 64th St. Tel.: (212) 517-5780. At this cozy bistro, Chef Bernard Teissedre combines traditional French cooking — including a \$20 bouillabaisse — with other cuisines.

**Smith & Wollensky**, Third Ave. and 49th St. Tel.: (212) 753-1530. Gourmet magazine called this revered local institution the "quintessential New York steak house." Outdoor dining available. ●



Visits to the Ellis Island Immigration Museum are usually combined with a trip to the Statue of Liberty.

## WEB SITES AND GUIDE BOOKS

A selection of resources for visitors and residents.

There are probably more guidebooks written about New York than any other city in the world. Here are a very select few.

**Baedeker New York** (Macmillan, \$17): Complete, with a few gaps, no-nonsense, fold-out map.

**Essential New York** (Passport Books, \$7.95): Pocket-sized, well-organized.

**Manhattan** (Compass Division of Fodor's, \$26.50): Beautiful, but covers Manhattan only; includes appropriate literary excerpts.

**Cadogan City Guide: New York** (Globe Pequot Press, \$14.95): A British perspective; very well organized; includes walking tours.

**New York for the Independent Traveler** (Marlow Press, \$14.95): Walking tours organized by theme.

**Native's Guide to New York** (Prima Publishing, \$16.95): Just what it says; not for the uninitiated; goes beyond a classic guidebook.

**Frommer's Irreverent Guides: Manhattan** (Macmillan, \$12.95): Good fun, with "X-rated" sites and more.

**The AIA Guide to New York** (Harcourt Brace & Co., \$23.95): Not a guide per se, but a detailed view of neighborhoods and every notable structure in the five boroughs; certainly the most comprehensive guidebook, as well as an invaluable reference.

**New York On-Line**  
The best Web site for up-to-date travel information is run by the Travel Channel. Call up <http://www.city.net>, type [newyorkcity](http://www.city.net), then click on *Take me there*.

To find out what is happening in the city, go to <http://www.ny.visit.com>, run by the New York Convention & Visitors Bureau. Includes listings of hotels, museums, theaters and restaurants, plus a kid's guide to the city and more. The site also offers a wide range of hyperlinks, including ticket reservation services, travel schedules and a directory of other NYC Web sites. ●

## The Mark T-Shirt \$395 (Suite included)



Special summer rate, daily June 27 - September 7, 1997.

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SMALL LUXURY HOTELS OF THE WORLD

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## FROM THE GLORIES OF BYZANTIUM TO GRAFFITI ART

A sampling of the summer's most important exhibitions from among the city's cornucopia of museums.

**T**rying to see everything the New York museums have to offer could take a lifetime. For visitors with limited schedules, here are some suggested starting places.

**Ellis Island Immigration Museum**. General information: (212) 363-3200. Tickets and ferry schedules: (212) 269-5755.

Once a dilapidated wreck, Ellis Island has arisen as the nation's premier shrine to the 12 million European immigrants who came to the United States between 1892 and 1954. The Victorian complex looks much as it did when the newcomers first arrived. A ferry departs from Battery Park every day for Ellis Island and the neighboring Statue of Liberty.

**The Intrepid Sea-Air-Space Museum**, Pier 86, 46th St. and Twelfth Ave. Tel.: (212) 245-0072. Located in an actual noncommissioned World War

II aircraft carrier, this is the world's largest naval maritime museum.

In addition to exhibits devoted to naval history, interactive displays enable visitors to sample the ship's awesome technology for themselves.

**The American Museum of Natural History**, Central Park West at 79th St. Tel.: (212) 769-5100. This summer, the museum is showing "Endangered," a full-scale multimedia presentation about species that are threatened with extinction.

**The Isamu Noguchi Garden Museum**, Vernon Blvd. at 33rd Road, Long Island City. Tel.: (718) 204-7088. Founded in 1985 by the influential sculptor, the museum is located just across the East River in Long Island City. The outdoor setting is one of the most dramatic and unusual of any museum in the city. Perfect for a side trip.

**Metropolitan Museum of Art**, Fifth Ave. at 82nd St. Tel.: (212) 535-7710.

The sumptuous creations of Carlier trace the evolution of 20th-century art — from Art Nouveau to 1930s geometric abstraction — in near-priceless jewelry.

The other big news at the Met this summer is "The Glory of Byzantium," a once-in-a-lifetime mega-exhibit of treasures that covers the period from the founding of Constantinople to the Turkish conquest.

**The Museum of Modern Art**, 53rd St. between Fifth and Sixth Aves. Tel.: (212) 708-9480.

"Objects of Desire: The Modern Still Life" explores the still life in modern art — from Cézanne through Abstract Expressionism, Pop Art and beyond — in the most comprehensive exhibit ever mounted on the subject.

Also at MOMA are a group of 80 paintings and 50

drawings detailing the art of Fernand Léger as well as works by the Stenberg brothers, forerunners of the Russian avant-garde in the 1920s and 1930s. All three exhibits run throughout the summer.

**Whitney Museum of American Art**, 75th St. and Madison Ave. Tel.: (212) 570-3600.

By the time he died of AIDS in 1990 at the age of

31, Keith Haring had become the best-known artist of his generation for his iconic dancing figures and dogs, highlighted by Aztec-like imagery. The first major retrospective of the artist who cut his teeth scrawling graffiti in the subways will take place not only at the museum but also at site installations throughout the neighborhood. ●

## CELEBRATING SUMMERTIME

Festivals liven up city days and nights.

The JVC and Texaco Jazz Festivals have just begun, and will run until June 30. Popularly known collectively as the New York Jazz Festival, the successors to Newport are the biggest and best in the world and include venues all over town, from Central Park to the tiny Knitting Factory. Tel.: (212) 219-3006.

If you miss the Jazz Festival or are a swing fan, Jazz in July runs from July 2 to 31 at the 92nd Street Y (at Lexington Avenue). The Preservation Hall Jazz Band will come in from New Orleans to participate. Tel.: (212) 996-1100.

In just two years, the Lincoln Center Festival has grown into the city's biggest summer festival. This year, events range from the Royal Opera's "Palestrina," by Hans Pritzner, to a celebration of jazz great Omette Coleman — his first local appearance in seven years. July 8-27. Tel.: (212) 875-5928.

Also at Lincoln Center, the Mostly Mozart festival returns with some of the world's foremost performers. July 29-Aug. 23. Tel.: (212) 546-5103.

Washington Square Music Festival takes place in the bohemian nerve center of Greenwich Village at the foot of Fifth Avenue (at Eighth Street) on July 1, 8 and 15. Tel.: (212) 431-1088. ●



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500 East 62nd Street, New York City, NY 10021

### East Side Inn

Opening in '97

201 East 24th Street, New York City, NY 10011

### Midtown Inn

Opening in '97

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### Aladdin hotel

Private Rooms: \$50-\$70

Shared Rooms: \$29-\$49

317 West 45th Street, New York City, NY 10036

Tel: 212-246-8580 Fax: 212-246-8063



# SUMMER IN NEW YORK

## COUNTRY LIFE: GETTING AWAY FOR THE WEEKEND

The bucolic Hudson River Valley is becoming an increasingly popular weekend destination.

Most people know of Woodstock from the 1969 rock festival (which actually took place in Bethel, 50 miles away in Sullivan County), but Ulster County is home to several other communities that are worth a look — and a visit — as well.



A typical Upstate New York farm near the town of New Paltz.

Located less than two hours by car from Manhattan off the New York Thruway, the town of Woodstock has been famous as a crafts center for over 100 years.

"The Hudson Valley is full of people like me, expatriate New Yorkers, who chose the quality of life here," says Beverly Sontz, publisher of Options, Unltd., a regional magazine serving the Hudson Valley and Catskills.

Ms. Sontz recalls sing-outs featuring part-time local folk-rock residents like Bob Dylan, the Band, Paul Butterfield and Van Morrison. Impresario Michael Lang came up with the idea for a music festival, and the rest is history, including the 25th anniversary celebration in nearby Saugerties.

Only 12 miles from Woodstock, tiny Phenicia is a quaint throwback to James Fenimore Cooper's Leather-

stocking tales of Upstate New York, with its log-cabin houses and gabled Main Street stores. Among Phenicia's attractions are an old-fashioned working train and the world's largest kaleidoscope; it is also the Northeast capital of white-water tubing and the home of world-class fly-fishing.

Harry Jameson, a former computer flight simulator, founded Town Tinker Tube Rental 18 years ago (tel.: 914-688-5553). The tubing season lasts less than three months, but Jameson has managed to send 300,000 people down the Esopus Creek. A day-long tube rental costs only \$10, with \$3 for the bus ride to the big waves two-and-a-half-miles downriver, and another \$2 for life jackets (required). Old sneakers are also for rent at \$2, so visitors won't ruin their Nikes.

The most notable inn in the area is the Mohonk Mountain House (tel.: 914-255-1000). This world-class resort will be known to those who saw the film "The Road to Wellville," which was shot there. A complete resort near New Paltz, N.Y., the resort offers Shaker and Vic-

torian furnishings, and bungalows in other styles. The restaurant is equally well-known.

**Shawangunk Range**  
The region is home to spectacular mansions built by 19th-century land barons along the Hudson.

Today, the mid-Hudson Valley boasts some of New York's finest wineries, such as Millbrook Winery near Poughkeepsie (tel.: 914-677-8383).

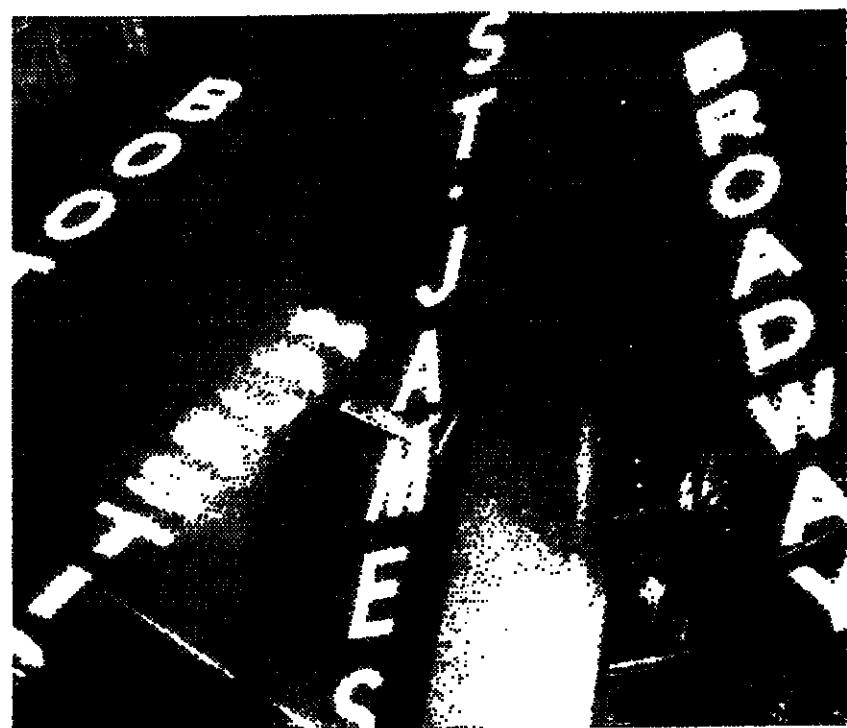
Vintner David Bova opens Millbrook every day from noon till 5 P.M. and offers a grilled luncheon on weekends, along with a tour and full wine tasting.

The Shawangunk Wine Trail is nestled between the Shawangunk Mountains and the Hudson River in Ulster and Orange Counties.

The 60-mile trail, extending from New Paltz to Warwick, includes eight wineries, which follow a tradition begun by French Huguenot settlers 300 years ago.

The nearby Shawangunk Ridge is one of the most dramatic rock formations in North America and offers spectacular rock-climbing opportunities. ●

هكذا من الأصل



Bright lights, big city: Broadway's legendary theaters are attracting bigger audiences than ever.

## ON AND OFF BROADWAY

New York's theaters offer rousing entertainment for every taste.

New York theater is coming off the strongest season in memory. Three major new American musicals opened in the spring — "The Life," a raunchy tribute to the old Times Square by veteran Cy Coleman; "The Titanic," a Tony Award-winning spectacular about the doomed vessel; and "Jekyll & Hyde," a cult favorite based on the classic Robert Louis Stevenson novel.

The hottest tickets, however, are still the revival of Bob Fosse's original staging of "Chicago" and last year's "Rent."

### Award winners.

Off Broadway, the favorites are: "Gross Indecency," a restaging of Oscar Wilde's three trials; "How I Learned to Drive," a multi-award-winning meditation on the tri-

als of growing up; "Tap Dogs," industrial-strength dancing from an all-male Australian troupe; and "When Pigs Fly," a gay revue with most outrageous costumes.

To get tickets to Broadway shows, visitors can phone (212) 563-2929, a service of the League of American Theaters and Producers, which also provides updates on what's playing and even snippets of music from the shows themselves.

The discount TKTS booth has become a mecca for in-the-know tourists. Located at 47th Street and Broadway, it provides half-price tickets for that day's performances only. Prepare to wait in line, and don't expect the hottest shows. Premiere Ticket Service can deliver tickets to any New York address; tickets can be ordered by faxing (201) 461-8821. ●

## WEB SITES AND GUIDE BOOKS

**T**he New York City Guide Book, published by the New York City Department of Cultural Affairs, is a comprehensive guide to the city's cultural scene. It includes information on museums, galleries, theaters, and more. The book is available for purchase or can be viewed online at the New York City Department of Cultural Affairs website.

**New York City Guide Book**  
The New York City Department of Cultural Affairs  
100 Nassau Street, New York, NY 10038  
Tel.: (212) 312-2000  
Fax: (212) 312-2001  
Website: <http://www.nyc.gov/cultural>

**The New York City Guide Book**  
The New York City Department of Cultural Affairs  
100 Nassau Street, New York, NY 10038  
Tel.: (212) 312-2000  
Fax: (212) 312-2001  
Website: <http://www.nyc.gov/cultural>

## M TO GRAFFITI ART

**C**rowds of tourists have put the squeeze on New York's hotels. Visitors are recommended to book as far ahead as possible to guarantee finding the room of their choice.

The resourceful traveler, however, can find lodgings ranging from elegant five-star hotels to charming bed-and-breakfasts.

**Ameritania Hotel**, 1701 Broadway, Tel.: (212) 247-5000.  
A major renovation has transformed this boutique hotel, the better to address the corporate traveler on a budget, but with high standards the best bargain in Midtown.

**Gramercy Park Hotel**, 21st St. and Lexington Ave. Tel.: (212) 475-4320.  
The only hotel on the city's only private park, located in one of Manhattan's most elegant and serene

## WHERE TO STAY IN THE CITY THAT NEVER SLEEPS

Despite heavy bookings, savvy travelers can find accommodations ranging from the elegant to the intimate.

neighborhoods. It is just a short walk from the shops, offices and restaurants of the Flatiron District. Particularly popular with performers and other celebrities.

**Inter-Continental Hotel**, 111 E. 48th St., Tel.: (212) 755-5900.  
A \$20-million renovation has restored the neo-Federal interior decoration. The Barclay Restaurant highlights New American cuisine and specialty cocktails. The bar is popular with U.N. diplomats.

**Malibu Studios Hotel**, 2688 Broadway, Tel.: (212) 222-2954.  
Located in a quiet neighborhood in the shadow of Columbia University, this is undoubtedly the best — that's right, the best — bargain in town. Suites start well below \$100, and they're roomy, comfortable and well decorated.

**The Kimberly Hotel**, 145 E. 50th St., Tel.: (212) 755-0400.  
In the heart of Midtown, offers free boarding on the hotel yacht, a complimentary health facility and a spa discount. Tatou, a supper club, will soon be joined by the Tam Tam Bar.

**The Mark Hotel**, 25 E. 77th St., Tel.: (212) 744-4300.  
Near Madison Avenue shops and galleries on a quiet side street on the Upper East Side. Amenities include 24-hour room service, free shoeshine and newspaper, and a full-service concierge.

**The Peninsula Hotel**, 700 Fifth Ave., Tel.: (212) 247-2200.  
Considered by many the Hotel of the Moment. Favored by West Coast entertainment executives for the Art Deco rooms, marble baths and Fifth Avenue views.

**Hotel Plaza Athénée**, 37 E. 64th St., Tel.: (212) 734-9100.  
Located in the heart of the chic East 60s, this European-style boutique is low-key, elegant and quietly opulent. Special packages available.

**Salisbury Hotel**, 123 W. 57th St., Tel.: (212) 246-1300.  
A grand Gothic-revival building on "Tourist Row," on the same block as the Carnegie Hotel, Hard Rock Cafe, Planet Hollywood and Brooklyn Diner. Reasonable rates, beginning at only \$149, including Continental breakfast.

**The Surrey Hotel**, 20 E. 76th St., Tel.: (212) 320-8027. Located on the Upper East Side, just off Central Park, this hotel offers suites and all services. Room service by Restaurant Daniel — that's Daniel Boulud, of La Cirque fame. ●

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**WORLD ROUNDUP**



Australia's Matthew Elliott, left, congratulating a teammate, Gregg Blewett, after a catch.

**McGrath's Fire Cut Short by Rain**

**CRICKET** The Australian bowler Glenn McGrath produced his first ominous spell of the 1997 Ashes series Friday, but any hopes his team had of throttling England's first innings in the second Test at Lord's were soon cut short by rain. McGrath, back to his best after a disappointing first-Test performance, made a mess of the England batting, taking 3 for 21 in 10 fiery overs, and vindicating the Australian skipper Mark Taylor's decision to ask England to bat in overcast conditions.

After McGrath had limited England to 13 for three by the 11th over, England's first Test heroes Nasser Hussain (10 not out) and Graham Thorpe (13 not out) survived a testing 43 minutes before rain forced players off the field. (AP)

**Clean Sweep for Hasek**

**HOCKEY** Dominik Hasek, the Buffalo Sabres' goaltender who led the National Hockey League in saves percentage for the fourth straight year, has won two most valuable player awards — the Lester Pearson Award, voted by players, and the Hart Trophy, voted by sportswriters. Hasek was also awarded the Vezina Trophy on Thursday night as the NHL's top goalie. (AP)

**Novotna Needs 3 Points**

**TENNIS** Jana Novotna was three points away from clinching a place in the semifinals when rain washed out play Friday at the Eastbourne women's grass-court tournament. Novotna was leading Ai Sugiyama 6-2, 6-5 and serving for the match at 15-15 when the quarterfinal match was suspended. The rain also halted the quarterfinal between Nathalie Tauziat and Natasha Zvereva, with Tauziat leading 6-4, 5-7, 2-1. (AP)

**The Green Monster Of Tennis Stirrs Anew**  
*Is Defending Champion Krajicek Just a One-Wimbledon Wonder?*

By Christopher Clarey  
International Herald Tribune

It is fast-twitch time in the world of men's tennis: a fortnight for skills and screams of frustration; for half-swings and last-split-second compromises.

Wimbledon, that hopelessly anachronistic but somehow still defining green monster, is upon us Monday. And though some might want to know if Pete Sampras can win his fourth, or if Goran Ivanisevic can finally win his first, or if Gustavo Kuerten, the freshly anointed French Open champion, can win his first-round match, what this observer wants to know is the following:

Who is Richard Krajicek? Is the towering Dutchman who rode his formidable power game to last year's title merely a one-Wimbledon wonder? (See Michael Stich in 1991.) Or is Krajicek something more perennial? (See Sampras, Boris Becker and other Open-era icons with large serves and lusty appetites for making history.)

For the moment, the 25-year-old Krajicek looks a whole lot more like Stich, the soon-to-retire German star, than a ravenous player for the ages. Like the lean and gifted Stich, Krajicek is versatile and one of the precious few to have won tournaments on all four established surfaces: clay, hardcourt, carpet and grass.

Like Stich, he has had success at other Grand Slam events, reaching the semifinals of the Australian and French Opens. But like Stich, injuries have often stopped his momentum, and he has won just one major singles title. In short, if you examine Krajicek's potential and his performance, you do not see harmony.

"For sure, I have the tennis tools," Krajicek said in an interview. "I can play on every surface, and I can play with anybody. That's a nice feeling to have when you step on the court." But, "I sometimes play one good tournament and one bad tournament."

A glance at Krajicek's results in his last four Grand Slam events proves his point: 1996 French Open (lost quarterfinals), 1996 Wimbledon (winner), 1996 U.S. Open (lost first round), 1997 French Open (lost third round).

The 1997 Australian Open is missing from that hot-and-cold litany because Krajicek missed it altogether after undergoing arthroscopic knee surgery to repair a slight tear in his meniscus that had been nagging both at his game and his confidence for approximately two years.

It was hardly his first nagging injury. Before he turned 13, he already had torn ligaments in both his ankles. In 1992, he had to default from his first Grand Slam semifinal in Australia because of tendinitis in his right shoulder, and in 1993, he took five months off to heal tendinitis in both knees.

Small wonder that when Krajicek retired in the third round of the 1996 Australian Open with a back injury, Andre Agassi observed charitably that

"Krajicek gets injured if he just thinks about playing tennis."

After that disappointment, for the first time in a long time, Krajicek let go of his obsessive, constrictive regimen of exercises, treating "gymnasium" like a dirty word. Six months later, somehow lighter without his daily checklist, he was bent over backwards on Wimbledon's Centre Court, hands covering eyes in disbelief after beating the unseeded Mali Vei Washington in straight sets to write an emotive end to what, at least until this year's French Open, looked like a stranger-than-fiction Grand Slam event.

If Krajicek had been Sampras — a player whose childhood mentor, Pete Fischer, wielded the name "Rod Laver" like a mantra — he would have pumped his big fists and gone right back to chasing history. But while Sampras and Krajicek are both big servers and the sons of immigrant parents — Krajicek's left Czechoslovakia after the Soviet crackdown in 1968 — they do not share the same single-mindedness. Indeed, shortly after his triumph, the first Dutchman to win a Grand Slam singles title began to wonder, "Now what?"

"I noticed pretty quick what was happening to me," he said. "I had this satisfied feeling, and in a way, I didn't want it. So I was telling myself, 'O.K., you want to go for top five. You want to win another Slam.' But if it doesn't come from the heart, you can tell yourself but you cannot fool yourself."

Only the foolhardy would make Krajicek a heavy favorite to defend his title, but there have been encouraging signs this season, including titles in Rotterdam and Tokyo. He is serving well and sounding the right notes, vowing to play fewer events in the future to help keep his edge.

Right notes have not always been his specialty. At age 20, he ruffled feathers by saying that eighty percent of women's professional players were "lazy, fat pigs." In this age of sound bites and snap judgments, that sort of comment can create an unshakable label. But if you spend an hour or two with Krajicek when he is relaxed and receptive, you quickly realize that he is among the more thoughtful and expressive young millionaires on tour.

Unlike some of his peers, he is also steadfast. He and his Australian coach, Roan Goetzke, have been together for nearly seven years: a lengthy association in modern tennis. And next year, he will return to his roots. After many years of tax-free, sun-rich life in Monte Carlo, Krajicek plans to take up residence again in the Netherlands with his longtime girlfriend, Daphne, in a village near Amsterdam.

So who is Richard Krajicek? Big server. Small-town. Inconsistent player. Steady companion. Quick-witted joker. Earnest self-criticizer. Wimbledon champ turned Wimbledon champ who, on Monday, becomes just another Wimbledon hopeful.



The Pirates' shortstop, Kevin Poicovich, snagging the throw to second to force out Lance Johnson of the Mets.

**Back Home, Mets Edge Pirates, 7-6**

By Selena Roberts  
New York Times Service

**NEW YORK** — It seemed the New York Mets might suffer pixie-dust-withdrawal symptoms once they departed the magical Yankee Stadium to return to their same old crowd at Shea Stadium. And yet, for this team, not even reality can bring them down.

It did not matter that the chants of "Let's Go Mets" seemed to ring hollow Thursday night when they echoed from a group of four men down the third-base line instead of en masse, as they had during the Mets' three-day, interleague bash in the Bronx.

And it didn't matter when the closing pitcher, John Franco, ruined what had been an impressive starting performance by Mark Clark by serving up a three-run home run in the ninth to allow the lowly Pittsburgh Pirates to tie the game.

It did not matter because the spritzed Jason Hardtke came up with his first hit of the season in the bottom of the ninth to score Todd Hundley for a 7-6 victory.

The Mets avoided a letdown against baseball's marked-down team, the Pirates, a group that has all but been put together with the use of coupons. The Pirates' team payroll at the start of the season was just over \$9 million. Meanwhile, the Mets' payroll was over \$100 million.

**BASEBALL ROUNDUP**

sure that against the salary of Albert Belle, who makes \$10 million a year in Chicago.

So this seemed like a team that could be tucked away like pocket change by a Mets bunch fresh from showing that they could play in the House that Ruth Built — even though they lost the Subway Series to the Yankees, two games to one.

The Mets staggered at the start and at the end Thursday. After falling behind 1-0, they put up a run in the first, then a three-run third to take a 4-1 lead.

Franco who gave up the game-winning hit against the Yankees a day earlier, suffered another lapse. With two outs and two on in the ninth, he served up a 1-0 pitch to the pinch hitter Dale Svum, who lashed it over the left-field wall to

tie the game. Franco got the next out, then tucked into the dugout, escorted by boos.

**The Associated Press reported:** Rockies 4, Padres 4. Andres Galaraga's second three-run homer in 24 hours helped visiting Colorado to victory over San Diego. Galaraga's shot to right field, his 20th homer, came with two outs in the third and capped a five-run inning that gave Colorado a 5-2 lead.

**Giants 5, Dodgers 2.** Shawn Estes allowed one run on three hits in 7 1/2 innings as host San Francisco beat Los Angeles for its fifth straight victory. Barry Bonds had a solo homer, his 13th of the season, in the eighth.

**Mariners 2, Rangers 1.** Randy Johnson won his seventh straight, pitching Seattle past host Texas. Johnson (11-1) limited Texas to one unearned run and four hits in seven innings. He struck out six and walked one.

**Angels 4, Athletics 3.** Garret Anderson drove in the tying and winning runs with a one-out single in the ninth inning as host Anaheim beat Oakland to end a five-game losing streak.

**Fans Gather to Pray for Injured Red Wings**

The Associated Press

**DETROIT** — About 300 people gathered to pray, listen to music and light red and white candles for the Red Wings' defenseman Vladimir Konstantinov and the team's masseur, Sergei Mnatsakanov, who were injured in a limousine crash last week.

Konstantinov and Mnatsakanov remained comatose and in critical condition Thursday night at Beaumont Hospital in Royal Oak, Michigan.

Mnatsakanov was undergoing surgery late Thursday night to stabilize his spine, which was injured in the accident, a hospital spokesman said.

Another defenseman, Viacheslav Fetisov, also was injured in the accident. He was released from the hospital Wednesday.

For many who came to Hart Plaza it was a way to show support once again to those who were an important part in securing Detroit's first Stanley Cup since 1955.

One banner being held in the crowd read, "God please mend our broken wings." Prayers were read and fans signed get-well cards.

The candlelight vigil was organized by Rodney Parrish, 31, of Warren, Michigan, who paid the \$400 rental fee for the meeting hall to the city.

"I felt helpless when I heard about the accident," Parrish said. "It seemed like a good way to show our support." Konstantinov, Mnatsakanov and Fetisov were returning from a golf outing celebrating the team's victory in the National Hockey League championship when the limousine, driven by an unlicensed driver, crossed over two lanes, jumped a curb, careened off a pole and slammed head-on into a tree.

The passengers were not wearing seat belts. Witnesses said the limousine brakes were never used. The police suspect that the driver, Richard Gnida, may have dozed off at the wheel. He was released from the hospital Sunday.

**SCOREBOARD**

**BASEBALL**

**MAJOR LEAGUE STANDINGS**

AMERICAN LEAGUE	W	L	Pct.	GB
AL East				
Baltimore	46	21	.686	—
New York	39	30	.565	7
Toronto	32	34	.485	13 1/2
Boston	31	38	.448	16
Detroit	30	37	.448	16
AL West				
Cleveland	35	31	.530	—
Kansas City	33	34	.493	2 1/2
Minnesota	32	36	.471	4
Seattle	32	37	.464	4 1/2
TEXAS	29	31	.483	7

**ESTABLISHED**

**MAJOR LEAGUE STANDINGS**

NATIONAL LEAGUE	W	L	Pct.	GB
NL East				
Atlanta	44	26	.629	—
Florida	41	28	.594	2 1/2
Montreal	40	29	.580	3 1/2
New York	38	32	.543	6
Philadelphia	22	46	.324	21
NL West				
Los Angeles	34	37	.479	—
Pittsburgh	33	37	.471	1/2
St. Louis	32	38	.457	2
Cincinnati	29	40	.420	4
Chicago	28	42	.400	5 1/2
WEST DIVISION				
San Francisco	41	29	.586	—
Colorado	38	32	.535	3 1/2
Los Angeles	34	36	.486	7
San Diego	29	41	.414	12

**THURSDAY'S HIGHLIGHTS**

**AMERICAN LEAGUE**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

**W—R, B—L, S—L, D—JACKSON, 1-4**

**W—R, B—L, S—L, D—JACKSON, 1-4**

Team	W	L	Pct.	GB
Seattle	010	008	.556	—
Texas	008	010	.444	5
AL East				
Baltimore	008	010	.444	5
New York	008	010	.444	5
Toronto	008	010	.444	5
Boston	008	010	.444	5
Detroit	008	010	.444	5
AL West				
Cleveland	008	010	.444	5
Kansas City	008	010	.444	5
Minnesota	008	010	.444	5
Seattle	008	010	.444	5
TEXAS	008	010	.444	5

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## SPORTS

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# Brazil Does It Again

## Colombia Falls, 2-0, in the Copa

**SANTA CRUZ, Bolivia** — Brazil beat Colombia, 2-0, to record their third consecutive Copa America victory despite being outplayed for long periods by their young, inexperienced opponents.

Dunga, the captain of Brazil, opened the scoring Thursday with a thundering, low-shot from 30 meters (99 feet) in the 11th minute. It was his sixth goal in 73 full internationals.

A substitute striker, Edmundo, made sure Brazil finished on the top of group C when he added the second goal in the 67th minute from a rebound of a shot by Romario that hit the defender Oscar Cordoba.

But much of the match was dominated by Colombia, which finished third in the group with three points and also qualified for the quarter-finals as one of the two best third-placed teams.

Colombia finished even on points and goal difference with Uruguay, which came third in group B but scored only two goals to Colombia's five.

The Colombians suffered a nervous last 20 minutes because another Brazil goal would have sent them home.

The result set up a fascinating quarter-final between Brazil and Paraguay on Sunday.

Mexico, which finished second in the group after a tie, 1-1, with Costa Rica earlier Thursday, will face Ecuador on Sunday, while Colombia travels to La Paz to face Bolivia on Saturday.

Brazil's much-vaunted striking pair, Ronaldo and Romario, were superbly contained by Jorge Bermudez and Ivan Cordoba. Ronaldo was substituted on the hour to a chorus of jeers from the crowd.

Despite his goal, Dunga, as in several

recent matches, added little else to the game, spending most of his efforts intimidating opponents. He was taken off after receiving a yellow card.

The consolation for Brazil's coach, Mario Zagallo, apart from the result, was that the Goncalves-Aldair partnership in the center of the defense looked far more secure than other combinations he has tried recently.

"Efficiency in football is judged by victories," Zagallo said. "Some days you play well, other days badly, but what counts is the victory. I prefer to play ugly football and win than attractive football and lose."

Colombia, like many other teams in the competition, had decided to rest their top players for the region's World Cup qualifiers. Brazil, as world champion, qualifies automatically for France next year and brought a full-strength squad to Bolivia.

The best of Colombia's new players were Neider Morantes in midfield and Cordoba and Bermudez in defense.

But they were unable to transform some often excellent midfield play into goals and the Brazilian goalkeeper, Taffarel, was only severely tested three times throughout the game.

Colombia's best effort was a long-range drive by Wilmer Cabrera, which Taffarel tipped over his crossbar.

**Ronaldo Now a Free Agent**

Ronaldo's lawyer said Friday that he had paid the 4 billion pesetas (\$27.5 million) necessary to release the Brazilian striker from his contract with Barcelona. Reuters reported from Madrid.

Although the payment technically makes Ronaldo a free agent, a UEFA circular has decreed that only Spanish clubs are allowed to sign him without negotiating with Barcelona.



Brazil's Romario, right, and Colombia's Jorge Bermudez fighting for the ball during their Copa America Group C match in Bolivia.

The Italian club Inter Milan is hoping to buy Ronaldo.

"From today, the player no longer belongs to Barcelona," said Fernando Rey, the Brazilian's lawyer. Negotiations to keep Ronaldo at Barcelona broke down at the end of last month.

The International Association of Players' Agents, meanwhile, has urged

the European Commission to judge on a FIFA ruling that is preventing Ronaldo from joining Inter Milan.

A commission spokesman confirmed Friday that it had received the letter but declined to comment further. Barcelona has invoked the FIFA ruling as a last-ditch effort to stop Ronaldo from moving to Internazionale.

# Spaniard Leads by 3 Shots

## In German Golf Tourney

**STUTTGART** — Ignacio Garrido of Spain opened up an early three-shot lead in the German Open on Friday while Mark James of Britain moved into second place, partly due to his first tournament hole-in-one in a 20-year career.

The week after he won the Spanish PGA title in Madrid, a non-European Tour event, Garrido's second round four-under-par 67 took him to 10-under-par, three ahead of James, who also carded a 67.

Garrido rolled home a 30-foot (9-meter) putt on the last hole for a birdie, soon after James had produced his ace at the penultimate hole.

The 25-year-old Spaniard is seeking to go one better than the three second places he has had on the Tour since joining in 1994. His third runner-up spot came in March in the Portuguese Open.

A tip given to him by his uncle, German Garrido, a former European Tour pro, before the final round of last week's victory in Madrid has helped his game, he said.

"My uncle noticed I was using my hands too much which meant I kept hooking and pulling when I am a natural fader of the ball," said Garrido. "I felt much happier after adjusting my swing and that helped me shoot a 68 in the wind in Madrid and I won by three."

Garrido's father, Antonio, was Severiano Ballesteros's first partner when the present Ryder Cup captain made his Cup debut in 1979. However, Ignacio Garrido, who currently lies 33rd in the Cup table, is keeping his feet on the ground, even though last year he had firmly forecast he would be on Ballesteros's Valderama squad.

"Maybe I should not have said that, maybe I was just joking," he said. "I don't want to even think about it be-

cause it puts on so much pressure."

James charged into second place by holing out with a five-iron on the 194-yard eighth, his 17th hole.

**Els Is Ahead in Buick Classic**

Ernie Els continued to display his uncanny mastery of the Westchester Country Club with a 7-under-par 64 and a two-stroke lead over Brad Faxon in the first round of the Buick Classic. The Associated Press reported from Harrison, N.Y.

Els, who won the U.S. Open last week, and is defending his Buick title here, just missed tying a tournament record for low opening round on Thursday when he left a short putt on the lip of the 8th hole — his 17th of the day — for his only bogey. He came back to make a two-putt birdie on the uphill, 505-yard par-5 9th after hitting a driver off the tee and a driver off the fairway.

"I don't know how to explain it," Els said. "I'm playing well. I should go with it now. I shouldn't hold back at all. I'm not going to hold back." One stroke behind Faxon were Jeff Maggert, Vijay Singh, Paul Azinger and Jim Furyk.

Els was a wire-to-wire winner by eight strokes here last year, and he started off this year's tournament in the same dominating fashion. The South African birdied three of the first four holes he played, numbers 10, 11 and 13, and added others at 17, 2, 3 and 4.

On Wednesday, Els had worried that he might be distracted by the lingering glow of his Open victory at Congressional Country Club and the whirlwind days that followed. His birdie-birdie start Thursday ended those fears. "I was quite surprised," he said. "I didn't have to find my mind. It was out on the golf course and I was thinking about golf again. All in all, a nice round."

# Of Linebackers and the Lord: A Former Coach's Ministry Gains Ground

By Bruce Weber  
New York Times Service

**NEW YORK** — Like many evangelists, Bill McCartney has a passion for stories to tell. Stories about individuals who turned to God and were rewarded. Because he won fame as the successful head football coach at the University of Colorado, he also has football stories — about men bonding in a common cause, infusing their team with a power greater than their individual selves and marching to victory.

These stories of uplift are standards of the evangelical genre, and McCartney, who left coaching three years ago to run Promise Keepers, the Christian ministry for men that he founded in 1990, makes ample use of them.

"You ain't going in the end zone without the Holy Spirit," he told an audience of two dozen drug addicts Thursday, meeting at the Bowery Mission Transitional Center on Manhattan's Lower East Side.

But McCartney's best story, his most effective one, has none of those clichés and does not smell of snake oil. It is about a Hispanic Vietnam veteran named Ivan, who McCartney said now lives in Denver, his life in ruins because of something that happened 30 years ago.

Ivan's squad had befriended Vietnamese village children who visited the men daily for candy, McCartney said. And Ivan had become friendly, more than friendly — fatherly — with a 7-year-old girl named Kim. He held her on his lap, told her he loved her.

Then one day Kim was used by the Vietcong as a human bomb. She showed up alone at the soldiers' camp, wired with explosives, but be-

fore she got too close, she unbuttoned her blouse to show the soldiers the bomb.

"And what she was saying was, 'Take me out now because if I get any closer I'm going to take out all of you,'" McCartney said.

Ivan was one of the men who shot her, he said, and to this day, "this guy is in pure torment."

It is an agonizing story all on its own, but McCartney's finish was unexpected.

"He can't receive what Kim offered," McCartney said. "His life."

She gave her life so he could live," he paused.

"Of course that parallels what Jesus did. He gave his life because He fell in love with you."

The story was delivered with a fervor that might be practiced but seemed nonetheless heartfelt. And if it did not make the men in the room want to leap up immediately to block and tackle for the Lord, the story — and others — clearly had an effect.

"The Vietnam story was very touching," said Duane Bell, 33, who came to the mission three years ago as a drug addict and is now on the mission staff. "I got a little teary. The whole brotherhood thing, one in Christ. It really hit home."

**THE MISSION** center, three years old, houses 80 men. According to its executive director, Robert Polito, it runs a program that "combines faith, drug therapy, education and job training."

For many, it is a place of last resort, the kind of place where faith may be all that someone has left. Easy pickings, perhaps, for the evangelically minded, but McCartney, because of his football background, was able to strike a note, serve as the kind of role model, that some others

cannot. Promise Keepers is best known for its weekend conferences and stadium rallies, but McCartney spends a great deal of his time in smaller settings like this.

"I'm not a real spiritual person," said Vernon Kinsler, 44, who had been living on the street when he came to the mission center just a week ago. But Kinsler, who described himself as an alcoholic and a heroin addict — "I use and I use all the time" — explained he came to the mission center because, "I've tried so many other ways, without spirituality. You always do something different when all else fails."

When McCartney walked away from coaching to run Promise Keepers, a nonprofit organization, he left a \$350,000 annual salary package for a job that pays him nothing.

"But this is more rewarding than coaching football," he said in an interview after his 40-minute talk. "I believe I have a calling."

He also noted, however, that his former and current roles have a lot in common.

"You get me in a setting like that and I feel comfortable," he said, acknowledging that the cafeteria where the meeting was held was not unlike a locker room. "I like to be around guys, to exhort them, challenge them. That's what I do."

This was seconded by Lee Rouson, a former Colorado running back who went on to play for the Giants. Now an evangelical worker himself, Rouson was the lead singer Thursday for the electric gospel band that played for the addicts before McCartney spoke.

The comparison between McCartney as coach and McCartney as preacher is simple, Rouson said. "Coach Mac is intense. He's always been that way. He's that way now. In your face all the time."

McCartney has guided Promise Keepers during a period of enormous growth. Its budget has grown more than 20-fold since 1993, to an estimated \$85 million this year. The group earns most of its money from the 560 registration fees for its stadium events, which some 2.5 million men have attended. One such conference is scheduled for Sept. 18 to 19 at Shea Stadium. On Oct. 4, the group is staging an event in Washington, called "Stand in the Gap," a kind of Christian version of the Million Man March.

**NOW 55**, McCartney was a football coach for 32 years, the last 13 of them at the Colorado, where he took a weak program to national prominence, including a national championship shared with Georgia Tech in 1990. It was a controversial reign, however, since many of McCartney's players tended toward the kind of destructive and unlawful behavior that is more easily associated with the men now at the mission center. During one three-year period, 24 Colorado football players were arrested.

At the same time his family life was also making headlines. His daughter, Kristyn, gave birth to two children by different fathers, the first of them being the Colorado quarterback Sal Aune. Aune died of cancer in September 1989, six months after his son, Timothy, was born, leaving a twist of grief to an already tortuous moral tale.

Timothy is now 8; Derek, the other child, is 3, and McCartney said he spends each Saturday with them. Still, the whole long series of events is a bit of a stain on the reputation of the man who now leads a movement that he says "is an answer to the cry of women's hearts."

Among the group's stated purposes is to make men into better fathers, husbands and family men. "A man's man, a real man, is a godly man," McCartney told the addicts. "A man's man is a tender man."

In the interview, McCartney acknowledged that he had regrets.

"I wish I hadn't been so focused on winning football games that I didn't spend more time with my daughter," he said. "But now I see an opportunity to build a godly content into those two boys that can make a difference in their lives. So on the one hand, maybe I could have prevented some promiscuity. But on the other hand, wow, I love those two little guys!"

He addressed another issue that has dogged him and Promise Keepers, which presents itself as apolitical. McCartney voiced his support for the Colorado anti-gay amendment, which was later declared unconstitutional. He has called homosexuality "an abomination," but he said here Thursday that gay men were welcome.

"We all fall short," he said. "Those who practice homosexuality need a visitation of God in their lives."

Which is one reason why the end of the meeting had poignancy. McCartney challenged the men in the room to stand up and hold hands and pray.

"I know you guys are tough," he said. "So if you don't believe, don't stand up. Be tough enough not to stand."

Chairs were pushed back. A circle formed, men holding hands. Everyone in the room was in it.

"This is not locker room halftime rhetoric," he said. "This is real life. You know how we can get into the end zone? Together."

## DENNIS THE MENACE



"MAYBE IT'S PLUGGED UP WITH ALL THAT MONEY DAD SAYS GOES DOWN THE DRAIN."

## JUMBLE

THAT SCRAMBLED WORD GAME  
by David A. Reardon and John J. Reardon

Unscramble these four jumbles, then use the letters to form as many words as you can. To learn the rules, see the instructions on page 24.

**KLIFE** \_\_\_\_\_

**OXUMB** \_\_\_\_\_

**ANNOYC** \_\_\_\_\_

**ESMYT** \_\_\_\_\_

Now arrange the checked letters to form the complete words. To help, consult the list of words on page 24.

Answers here: \_\_\_\_\_

NOVEL, FIRED, SPORT, YELLOW

Dark letters in the words are left from being the "A-TORN" word.

NOVEL, FIRED, SPORT, YELLOW

Dark letters in the words are left from being the "A-TORN" word.

NOVEL, FIRED, SPORT, YELLOW

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Dark letters in the words are left from being the "A-TORN" word.

NOVEL, FIRED, SPORT, YELLOW

Dark letters in the words are left from being the "A-TORN" word.

## PEANUTS



THAT OTHER TEAM IS TRASH-TALKING US, CHARLIE BROWN...

I GOT EVEN WITH THEM, THOUGH...

I SAID, 'YOU GUYS THINK YOU'RE SO GREAT... MOZART WAS WRITING SYMPHONIES WHEN HE WAS YOUR AGE!'

THAT REALLY SHUT 'EM UP...

I'LL BET IT DID.

HERES THE PITCH!

BONK!

NOT SURPRISINGLY, THE PITCHER DECIDES TO "WALK" CALVIN.

WIZARD OF ID

WHAT DID THE DOCTOR SAY?

HE SAID I WASN'T GETTING ENOUGH EXERCISE.

I COULD HAVE TOLD YOU THAT

I'M NOT LOOKING FOR A SECOND OPINION

NON SEQUITUR

BOOM TIME IN PSYCHOTHERAPY

WOMEN'S HEALTH CLINIC

HANDS TO A REMEDY SUPPORT GROUP #1

HANDS TO A REMEDY SUPPORT GROUP #2

HANDS TO A REMEDY SUPPORT GROUP #3

HANDS TO A REMEDY SUPPORT GROUP #4

HANDS TO A REMEDY SUPPORT GROUP #5

HANDS TO A REMEDY SUPPORT GROUP #6

HANDS TO A REMEDY SUPPORT GROUP #7

HANDS TO A REMEDY SUPPORT GROUP #8

HANDS TO A REMEDY SUPPORT GROUP #9

HANDS TO A REMEDY SUPPORT GROUP #10

HANDS TO A REMEDY SUPPORT GROUP #11

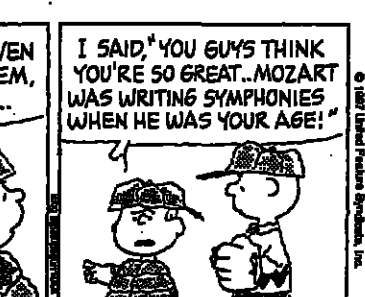
HANDS TO A REMEDY SUPPORT GROUP #12

HANDS TO A REMEDY SUPPORT GROUP #13

HANDS TO A REMEDY SUPPORT GROUP #14

HANDS TO A REMEDY SUPPORT GROUP #15

## GARFIELD



HARRIET, IF YOU EVER LEAVE, I'LL PULL MYSELF OUT BY THE ROOTS!

GULP

DID I SAY "ROOTS"?

BEETLE BAILEY

I'M GOING OUT. WATCH THE GENERAL'S CAKE. DON'T TAKE YOUR EYE OFF IT FOR A SECOND

OKAY

WWW.BARTOON.COM

BLONDIE

HMM, THERE'S A GROUP TRYING TO KEEP SCHOOL GOING THROUGH THE SUMMER

HOW COULD YOU KNOW THAT? IT JUST CAME OUT IN TODAY'S PAPER

MY MOTHER IS THE LEADER OF THE GROUP

DOONESBURY

HAND IT TO ME, I'LL BEAT YOU!

ARRE, I'M NOT SURE.

MOST OF THE TIME SHE HURTS HER OLD SELF. CINDERELLA, MAYBE. IT IS TOO SOON TO BE TALKING ABOUT HER SLEEPING DOWN...

OH, AMBER?

UH, YES, AMBER. DRIVEN-PORT?

I THINK JOANNE COULDN'T CHAIR.

CHUCK, BRING YOUR FEELING, BROTHA.

TERMINAL

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## CALVIN AND HOBBES



WIZARD OF ID

WHAT DID THE DOCTOR SAY?

HE SAID I WASN'T GETTING ENOUGH EXERCISE.

I COULD HAVE TOLD YOU THAT

I'M NOT LOOKING FOR A SECOND OPINION

NON SEQUITUR

BOOM TIME IN PSYCHOTHERAPY

WOMEN'S HEALTH CLINIC

HANDS TO A REMEDY SUPPORT GROUP #1

HANDS TO A REMEDY SUPPORT GROUP #2

HANDS TO A REMEDY SUPPORT GROUP #3

HANDS TO A REMEDY SUPPORT GROUP #4

HANDS TO A REMEDY SUPPORT GROUP #5

HANDS TO A REMEDY SUPPORT GROUP #6

HANDS TO A REMEDY SUPPORT GROUP #7

HANDS TO A REMEDY SUPPORT GROUP #8

HANDS TO A REMEDY SUPPORT GROUP #9

HANDS TO A REMEDY SUPPORT GROUP #10

HANDS TO A REMEDY SUPPORT GROUP #11

HANDS TO A REMEDY SUPPORT GROUP #12

HANDS TO A REMEDY SUPPORT GROUP #13

HANDS TO A REMEDY SUPPORT GROUP #14



## DAVE BARRY

## It's the Plumbing, Stupid!

MIAMI—I was walking through my bedroom on a recent Sunday morning when I suddenly had a feeling that something was wrong. I'm not sure how I knew; perhaps it was a "sixth sense" I've developed after years of home ownership. Or perhaps it was the fact that there was water coming out of the ceiling.

Moving swiftly but without panic, I went into the living room and read the entire sports section of the newspaper, thus giving the problem a chance to go away by itself. This is one of the four recommended methods for dealing with a household problem, the other three being (1) wrapping the problem with duct tape; (2) spraying the problem with a product called "WD-40," and (3) selling the home, and then telling the new owners, "Hey, it never did that when WE owned it." Unfortunately, when I went back to the bedroom, the ceiling was still dripping.

My wife, Michelle, suggested that maybe there was water sitting on the roof and leaking into the house, but I knew, as an experienced guy of the male gender, that she was wrong. I knew that the problem was the plumbing. It's time that we homeowners accepted the fact that plumbing is a bad idea. Many historians believe that the primary reason why the Roman empire collapsed is that the Romans attempted to install plumbing in it. Suddenly, instead of being ruthless, all-conquering warriors, they became a bunch of guys scurrying around trying to repair leaking viaducts.

So I knew that our plumbing had broken, and I also knew why it had chosen that particular morning: We had a houseguest. And of course our plumbing had waited until Sunday, which meant that the plumber would not come for at least a day, which meant that it was up to me, as a male, to climb up into the attic and do the manly thing that men have had to do as long as men have been men: shine a flashlight around.

"Maybe you should check the roof first," said Michelle. "Maybe there's water sitting up there." She was fixated on this roof theory. Women can be like that. I had to explain to her, being as patient as possible considering that I had urgent guy tasks to perform, that she was being an idiot, because THE PROBLEM WAS THE PLUMBING.

So I got my flashlight and climbed up a ladder into the attic, where I was able, thanks to my experience as a homeowner and my natural mechanical sense, to get pieces of insulation deep into my nose. I was not, however, able to locate the source of the leak, because my attic turned out to be a cramped, dark, dirty, mysterious place with pipes and wires running all over the place, and off in the

distance—just out of flashlight reach, but I could definitely sense its presence—a tarantula the size of the Reverend Jerry Falwell.

So I came briskly back down the ladder and told Michelle that, to stop the plumbing from leaking, I was going to turn off all the water to the house until the plumber came. Speaking in clipped, efficient, manly sentences, I instructed Michelle to fill containers with water and write a note for the houseguest telling him how to flush his toilet with a bucket.

"Before we do all that," she said, "Maybe you should check the roof!"

**"Don't tell me to check the roof!" I said. "Stop talking about the roof!"**

**"STOP TALKING ABOUT THE ROOF! THE PROBLEM IS THE PLUMBING!"** Sometimes a man has to put his manly foot down.

So while Michelle wrote toilet-flushing instructions for our houseguest and prepared a small apologetic basket of fruit and cookies, I tried to locate the valve that would shut off all the water. This was very difficult, because our plumbing system turns out to have approximately one valve for every water molecule. We could start a roadside tourist attraction ("TURN HERE FOR THE AMAZING VALVE FOREST").

The fascinating thing is, not one of these valves controls the flow of water to our particular house. I shut a number of them off, and nothing happened. So if, on a recent Sunday, the water stopped flowing in your home or store or nuclear power plant, that was probably my fault.

Since I could not turn off our water, our ceiling continued to leak all Sunday night, so that by morning our bedroom carpet was a federally protected wetland habitat teeming with frogs, turtles, Mafia hit-victims, etc. So we were very happy when the plumber arrived. And if you are a student of literary foreshadowing, you know exactly what he did: He looked at the ceiling, went outside, got a ladder, climbed up on the roof, and found some water sitting up there.

It couldn't drain because there was a little place clogged by leaves.

The plumber fixed it in maybe 10 seconds. I could have easily fixed it myself at any time in the previous 24 hours if I had not been so busy repairing our plumbing. I wrote the check in a manly manner.

So far Michelle, showing great self-restraint, has said "I told you so" only about 450,000 times. Fine. She's entitled. But don't YOU start on me, O.K.? Not if you want me to turn your water back on.

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## The Hawk-Watchers of Central Park

International Herald Tribune

NEW YORK—They are newcomers to a fine apartment house on Fifth Avenue but they are not in New York parlance nouveaux and they are being watched like hawks, which is as it should be since they are hawks: the first red-tailed hawks to nest on the side of a building in Manhattan.

Every day a cluster of hawk-watchers at a bench on the edge of the Model Boat Lake trains its telescopes and field glasses on the pediment above the 12th-story window of an apartment overlooking Central Park at 74th Street. There is no truth to the rumor, watchers say, that some of the field glasses are trained on the apartment of Woody Allen in the building next door.

## MARY BLUME

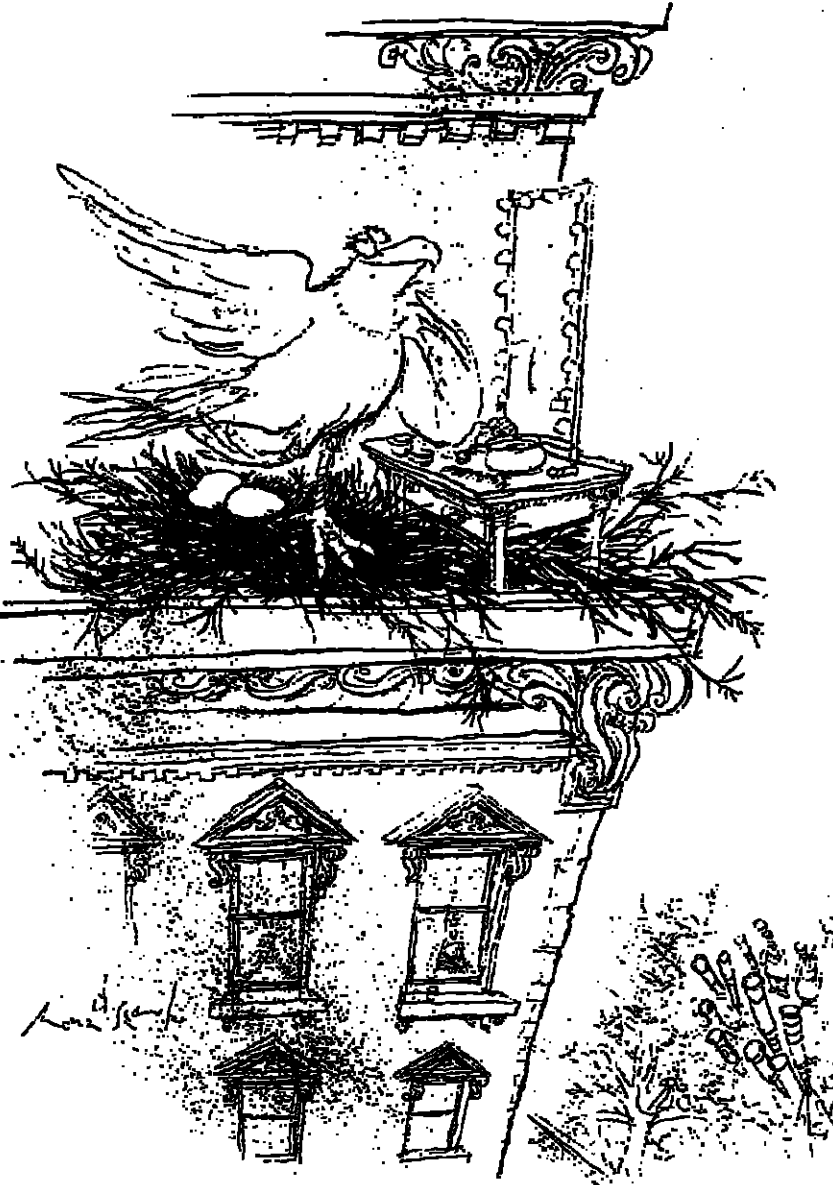
Right now the watch starts at dawn because on June 12 the two chicks in the nest fledged and are likely to alight at Cedar Hill, just south of the Metropolitan Museum, where their parents will teach them to hunt until August when they should be able to fend for themselves. August also marks the start of the fifth season of City Hawk Watch (motto: Nature in Our Backyard).

Naturalists have hung around Central Park since its creation but activity has never been so intense. As the 1997 Central Park Bird Register, a thick book of observations (including one written on the back of an income tax form), shows—a red-bellied woodpecker, female cowbird, and common loon at the Reservoir, a vireo in the Conservatory Gardens, a mourning cloak near the Bridge Path, a tufted titmouse, nuthatches and the backside of a raccoon in Muggers Woods, and so on. The hawks are referred to as the Fifth Avenue Red-tails, rather like the Carnegies or Vanderbilts.

In a city so gruffly self-obsessed, it is heartening to see a mix of cliff dwellers watching something other than their cellulite and troubled psyches and taking such reviving joy in it. As Poet-O, whose real name is Isadore Block and who lives in a senior citizens' home, remarks in a poem in the Bird Register, "Waking dreams ebb not from me."

Charles Kennedy, a hawk-watcher who bicycles up from SoHo, attributes the new sense of *res in urbe* to the Central Park Conservancy, which was instrumental in rehabilitating the park. Kennedy has published "Curves of Talon," a handsome chapbook of hawk-inspired poems in the haiku mode: "I could not/always fly/hawks teach me."

Sharon Freedman, a desktop publish-



Ronald Wright

er and leader of bird walks in the park, founded City Hawk Watch in 1993 to study hawk migration from the park's Belvedere Castle because of a gut feeling that Central Park would be a good place to study hawks as they flew south for the winter (it is the count for 1996 was 14,821). One pair found, probably in 1992, that rather than make the very long flight south in search of food they could thermal in the updrafts caused by skyscrapers and feed off the park's plentiful pigeons and rats (the birds got the Conservancy to see that Upper East Side pigeons would no longer be poisoned while there are hawk eggs and young).

The first year, Freedman says, the hawks tried nesting in trees and were attacked by crows. "They were both probably first-year nesters and very inexperienced." The Fifth Avenue building offered clifflike familiarity and safety,

although the building's management destroyed the red-tails' first nest. Since a warning from the U.S. Fish and Wildlife Service that they faced a \$10,000 fine under the 1918 Migratory Birds Act, the nest has not been touched.

It was Marie Winn, in her bird column in The Wall Street Journal, who first called attention to the hawks in March 1993. Her first article quoted an amazed ornithologist as saying that nesting on the side of building suggested that "maybe the male bird has a screw loose somewhere." Since then, there have been reports of possible nesting uptown at Mount Sinai hospital and as far afield as Dallas which, Winn says, doesn't count for much because "what's city in Dallas looks like suburbs to us."

A streetwise New Yorker, Winn visits the park at hours that might be thought dangerous, but always with

other hawk-watchers. She is finishing a book, to be published by Pantheon, called "Red-Tails in Love." It is about the hawks and also about the regulars who watch them.

"At the time they're due to fledge there's a lot of excitement and I think that's understandable," she says. "There's something that touches your imagination about a bird that's been up there all its life in this little nest and all of a sudden it's going to fly."

Among the hawk-watchers Winn has spotted are a film producer, a homeless man selling Street News, a flight attendant, a painter with a canvas in the Guggenheim and a minister in a motorized wheelchair carrying a computerized Bible.

The hawk-watchers are not necessarily birders. "We have more community," Kennedy says. According to Noreen O'Rourke, a retired school teacher from the Bronx, the interest is so contagious that a woman who lives on Fifth Avenue has even sent over coffee and cakes to chilled early-morning watchers. Jerry Seinfeld and Mary Tyler Moore (who lives in an apartment four stories below the hawks) are among the celebrities who have stopped by the lakeside for a look. "People ask me where I have traveled since I retired," says O'Rourke. "I say only Central Park."

On a typical day recently, Tom Thomsen, an architect, had as usual set up his Nikon 1000mm telescope by the lake's edge. "Nothing much doing right now," he said.

"They're just in the nest enjoying their morning squab," an executive with an antechase briefly broke stride to look into the scope, a woman asked the baffled regulars how to care for a wounded sparrow,

and a biologist handed out a leaflet called "The Central Park Red-Tailed Hawks."

"It's a nice place to sit, it's so quiet and comforting," Thomsen said from hawk bench, the park bench next to his telescope, which anyone can look through. He wears a plaid flannel shirt, Timberland boots and a baseball hat marked Hawk Watch. The reaction of kids from uptown housing projects is most appealing, he says. "The kids from Fifth Avenue ask are you going to shoot them?"

The little group is one of New York's sweetest sights, to the point where passers-by often find it too good to be true. "Some people think they're expected to drop coins after a look, others that it must be a scam," Thomsen says. "They can't believe that somebody is giving away something for free in New York."

## PEOPLE

THE philosopher and columnist Jean-François Revel has been elected to the Academie Francaise. Revel, 73, the iconoclastic author of works of philosophical and political thought, was editor of the weekly L'Express magazine from 1978 to 1981 and is currently a columnist for the weekly Le Point. Among his best known books are "Ni Marx ni Jesus" (Neither Marx nor Jesus), written in 1970 and today a compulsory text for French high school students, and "La Tentation Totalitaire" (The Totalitarian Temptation), written in 1976. Revel was elected to the 40-member Academie to fill the chair left vacant in November by the death of the biologist Etienne Wolff. Members are appointed for life.

The bell hasn't tolled for the Hemingway Days Festival after all. Organizers say that, despite a challenge from Ernest Hemingway's three sons, they will go ahead with the celebration July 24-27 in Key West, Florida, where the author lived from 1929 through 1939. The annual festival was canceled in April after Jack, Patrick and Gregory Hemingway vowed to sue if they weren't given a cut of the proceeds and control of the event. The family later announced plans for a festival July 18-20 on the Gulf Coast island of Sanibel, though Hemingway never lived there. Last week, owners of the Hemingway Home museum sued Hemingway Ltd., a company formed by the sons to market items like eyewear and a limited edition Mont Blanc pen. The museum owners asked a federal court to declare they are not in violation of the Hemingway sons' trademark and that Hemingway Ltd. does not hold valid rights to the name and image.

Marion Brando is in Greece, on his first visit to the country in 31 years, to appear Monday at an environmental conference being sponsored by a shipping magnate. Brando arrived with his girlfriend, one of his children and five friends in a plane owned by Marianna Latsis, daughter of Yannis Latsis, one of the world's biggest shipbuilders. Marianna Latsis and her boyfriend, the actor Nicos Kourkoulos, took the Brando party to a marina where they plan to board a yacht later for a cruise of the Greek islands. On Monday, Brando "will express his strong concern for environmental protection" at the forum entitled "Biochemical Dilemmas of our Times."

Adam West, the TV caped crusader, has a fantasy: to play Batman's long-lost uncle in the yet-to-be-hatched



FACE CARD — Emma Thompson arrives at the premiere of the film "Face/Off" in Los Angeles.

"Batman 5." "I could even wear my old tights, after getting all the mothballs out of it, and come back in the original Batsuit," West said. But he has his own ideas for the script. "My Bruce Wayne," joked West, "would have been romancing Catwoman with a brandy snifter of milk. Then he would have said something silly, like, 'Man cannot live on milk alone.'"

A painting by Pablo Picasso valued at up to \$7 million has been recovered undamaged more than five years after

being stolen, the museum in Grenoble said Friday. The painting, "L'enfant et la poupee" (Child and Doll), was painted in 1901. It was stolen in March 1992. The canvas, small enough to be concealed inside a bag or a coat, was apparently taken during visiting hours and its theft went undetected for 18 hours.

A brooch offered by a love-struck Napoleon Bonaparte to his 16-year-old mistress, an actress known as Mademoiselle George, fetched £25,300 (\$42,000) at an auction at Sotheby's this week. The brooch represents six arrows in a quiver and is set with diamonds, emeralds and rubies. Napoleon, who fell for the actress in 1803, had the jeweler tip the arrows on the brooch successively with a garnet, an emerald, an opal, a ruby, a second garnet and a second emerald—jewels whose first letter spells out the name "George."

Ted Turner wants to settle his feud with Rupert Murdoch in the boxing ring, challenging him to a pay-per-view clash of media heavyweights. "It would be like Rocky," kind of only for old guys, Turner said in issuing the challenge. "If he wants, he can wear headgear. I won't." Turner, CNN founder and Time Warner vice chairman, said he envisioned the fight with the media mogul as a \$4.95 pay-per-view event, with the proceeds going to the charity of the winner's choice. And the loser? "How about the loser has to leave the country," Turner joked.



CELEBRATION — Members of "Cats" cast hug theatergoers as the show eclipsed "A Chorus Line" as the longest running musical on Broadway.

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